Daily Report

Central Eurasia

FBIS-SOV-94-146
Friday
29 July 1994

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CIS Committee Chairman on Differences with Shakhray

MK2907071594 Moscow SEGODNYA in Russian 29 Jul 94 p 2

[Report by Aleksey Kirpichnikov under the "Report" rubric: "Konstantin Zatulin As a Guarantee of PRES' Centrism. CIS Committee Chairman Unaware of His Differences with Sergey Shakhray"]

[Text] At yesterday's news conference, which effectively amounted to a report on work done by the State Duma Committee on CIS Affairs, the committee's chairman, Konstantin Zatulin, told about his relations with his faction—the Party for Russian Unity and Accord [PRES]—and its leader, Sergey Shakhray. According to Mr. Zatulin, at the PRES federal council meeting on 5 July—before leaving Moscow— he outlined the stance of his committee, which also coincided with his personal views, and far from drawing objections, he was tasked with supervising PRES' relations with CIS members.

All the more strange seemed to him the reproaches voiced subsequently by Sergey Shakhray for interfering in the internal affairs of neighboring countries, and rumors that CIS Committee members are allegedly displeased with their chairman. There are no differences among committee members, the reporter emphasized, because no representatives of "Russia's Choice" or the "12 December Union" are members. Nor does he have political differences with Mr. Shakhray—throughout the State Duma's term he and Mr. Zatulin have voted similarly. There have been only organizational contradictions: the committee chairman sticks to democratic views with regard to the way the PRES is run, while Mr. Shakhray started putting his ideas into practice—for instance, by convening a faction council meeting—only after Mr. Zatulin resigned from the post of PRES faction chief. The resignation itself was prompted by "a sharp reaction to my activity as secretary from the faction leader," with whom Mr. Zatulin planned to meet yesterday evening. He was not going to apologize, though, to say nothing of submitting another resignation from the post of CIS committee chairman.

In addition, Mr. Zatulin restated his well known views about the breakup of the USSR, integration of the CIS, Ukraine and Belarus, Georgia and Abkhazia, "Partnership for Peace," and the MMM joint- stock company; he also ruled out the possibility of a strategic alliance with "Russia's Choice" and the Liberal Democrats (both the Zhirinovites and Khakamada-Fedorovites), but said that such an alliance with New Regional Policy, "Women of Russia," Travkin's DPR, and the Agrarian Party is possible, pointing out that as long as PRES has Mr. Zatulin, it will remain a centrist party.

CIS Border Chiefs Hold Conference in St Petersburg

MK2807133294 Moscow SEGODNYA in Russian 28 Jul 94 p 1

[SEGODNYA report: "Conference of CIS Countries' Border Troops Chiefs"]

[Text] A two-day conference of the chiefs of border-guard troops of the 12 CIS countries' opens today in St. Petersburg. It is expected that questions of joint guarding of the external borders, and border problems between the CIS member states will be discussed. The border-troops commanders and chiefs of staff will consider the situation along the Tajik-Afghan border, while the heads of border troops of Russia, Kazakhstan, Turkmenia [Turkmenistan], and Azerbaijan will discuss the problems of jointly guarding the CIS's external border along the Caspian Sea.

ITAR-TASS Carries Press Review for 29 Jul

LD2907083594 Moscow ITAR-TASS in English 0607 GMT 29 Jul 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow July 29 (ITAR-TASS)—Leading newspapers continue to concentrate on the MMM joint stock society scandal. The NEZAVISIMAYA GAZETA newspaper writes: "The difference between Mr. Mavrodi (Eds: president of the MMM society) and Mr. Chubays (Eds: chairman of the State Property Committee in charge of nation-wide privatisation) is that the latter has already discredited state authority with a failure of voucher privatisation, while the first gives his shareholders material proof that the MMM society promotes the establishment of a special class of Russian investors.

"The party of sinecure is not a figment of one's imagination any longer but a reality. If the MMM society wins an intermediate victory and does not go bankrupt after opening its branches selling and buying shares and will continue appealing to infantile mentality of negating authority (for which there are grounds after all), the race for high interest will draw not only new people but new structures, since only those who sold their shares in panic will stand to lose.

"If the government's dream to ameliorate the company will remain a dream, the passivity of authorities will soon lead to a public desire to strengthen the president's power and to extend the term of office for the president.

All accusations levelled at the MMM society by government structures are utterly illegal, and their purpose is to whip up panic among MMM shareholders, which can, indeed, bring about the firm's bankruptcy and, consequently, the loss of money by population.

Incidentally, the government will have to return it to population. Everything will be decided on Friday when the firm opens its branches. Either all shareholders stampede to dump their stocks (MMM will be ruined in this case) or (as the firm's management claims) people will buy and sell its shares. This will help the MMM society to keep afloat.

The TRUD newspaper notes: "Different opinions are expressed concerning the MMM society phenomenon and the resounding scandal around the company. What

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is hidden behind all this? May be, it is a thrilling gamble which lured millions of people—addicts of the stock market.

"Many of them influenced by a massive advertising onslaught, sold their homes, cars and cast their money onto this 'Russian roulette'. May be, the scandal was masterminded as an unheard-of advertising campaign. A breath-taking show: A company with the 100,000-rouble authorised capital speaks with the government from the position of strength."

The PRAVDA newspaper prints extracts from a letter by a group of lower house legislators from the Liberal Democratic Party of Russia (LDPR) to Speaker Ivan Rybkin, where they stress: "Many- thousand-strong queues in front of the MMM society's branches, the provocative ballyhoo in the media and, what's the main thing, the feasibility of a quick collection of signatures with assistance from MMM structures, expressing no-confidence in the government and parliament, make the entire situation political.

"This is fraught with spontaneous mass riots and a danger of confrontation between millions of people and authorities."

Continuing the economic topic, the IZVESTIYA newspaper writes: "Public polls show against the background of incessant talk about an expected social explosion or at least about a sharp growth in social dissatisfaction that indicators of social tension, conflict sentiments or aggressiveness either do not change for a long period or slowly scale down for some parameters".

TRUD writes: "Moscow stops to be the capital of a state with the cheapest housing in the world. The capital becomes a city with a high tenant rent. The powers that be always lived in prestigious residential areas, while others, after waiting for many years, received sometimes flats in dilapidated houses on the outskirts.

"The new decision (Eds: on raising rent from August 1) does not virtually notices this form of social stratification between people.[as received] The city cannot and must not impose inevitable outlays equally on all indiscriminately. The more so, to ease the burden for the rich and make it heavier for the poor."

The same newspaper carries "Address to People of the World" by cosmonauts from five countries, which reads: "We participants in space missions see with pain in our souls at what threatening rates the scale of damage inflicted to the biosphere is increasing.

"Mankind is approaching an ecological disaster. It is immoral and reckless to remain indifferent to the destiny of the Earth, our common and, alas, dilapidating home."

Referring to the official data of the Moscow militia department, the NOVAYA YEZHEDNEVNAYA GAZETA newspaper informs its readers that there are 7,852 neighbourhood rowdies, 7,586 drunkards, 2,053 drug addicts and 26,796 former convicts in Moscow.

Slightly over 50 per cent out of 998 crimes against life and health of citizens registered in Moscow over the last six months were committed in families. Some 70 per cent of them were made in a state of alcoholic intoxication.

Authorities registered 813 murders in the city since the start of the year, 175 of which were committed in families. Four crimes with the use of firearms are daily committed in the capital and with the use of explosives—every three days.

NEZAVISIMAYA GAZETA runs an article by Sergey Mitrokhin, a lower house member from the Yabloko group, who writes the following about Kurds: "Russia has assumed a part of Western responsibility for the destiny of Kurds.

"Russia's policy in that region (Eds: the Middle East) is based for the time being on the concept of pragmatic cooperation and is of passive and time-serving nature. It has not so much time to undergo a test for conformity with the status of a great power."

The RABOCHAYA TRIBUNA newspaper prints views by Russian Vice- Premier Oleg Soskovets and chairman of the lower house committee on economic policy Sergey Glazyev on the economic situation in the country.

Soskovets notes: "We should not dramatise the reduction of Russia's industrial potential, while Glazyev stresses: "Despite optimistic reports, Russia entered the regime of rapid deindustrialisation".

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Grachev Warns Serbs to Accept 30 Jul Deadline

LD2807170594 Moscow INTERFAX in English 1548 GMT 28 Jul 94

[From the "Diplomatic Panorama" feature: Correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[Text] Russia's Defence Chief Pavel Grachev declared that the chief goal of his trip to Belgrade as Russian president's special envoy was to persuade the Serbs to sign the peace plan, worked out by the foreign ministers of Russia, U.S., and EC (Britain, France, Germany, Greece, and Belgium) in Geneva recently.

He told an Interfax interviewer in Moscow Thursday that in Belgrade he had clarified Moscow's stand, according to which the signing of the document is not equated with solving the controversial issues once and for all.

In his opinion, the Serbs could accept the plan provided territorial division in Bosnia is subject for further talks with the Moslems and Croats.

The Russian delegation, as he said, tried to make the partners realize that if they signed the plan, it would be quite proper to demand that all sanctions against Yugoslavia be immediately lifted, since it would at that moment give up fighting. He added that discriminatory measures from other countries against Yugoslavia would also gradually be dropped.

Grachev said that although his impression was that he had convinced the Serb leaders, he had not heard any firm supply [as received] from them.

He made it clear for the Serbs that if they turned down the peace plan, "no other member of the Russian Government will be likely to come" since "Russia cannot remain alone on the issue and go against the stream." If the Serbs do not make up their mind by July 30, the deadline for signing the plan, "Russia will certainly not turn away, but it will be far harder for it to solve the problem," Grachev noted.

Moscow believes that the unity of stands in the world community should be the necessary condition for the settlement of the Bosnian conflict, the spokesman for the Russian Foreign Ministry, Mikhail Demurin said, commented [as received] on the statement of one of the Russian Balkan experts who on Wednesday in an interview with Interfax did not rule out the possibility of the "disintegration" of the contact group.

On Thursday at a briefing in Moscow Demurin said that it was Russia which constantly sought the unity of the world community when it came to the Bosnian settlement. We shall pursue this policy despite the fact whether the process advances towards the settlement or regresses towards the aggravation of the conflict.

Predicts Serbs Will Sign Peace Plan

LD2807142494 Moscow ITAR-TASS in English 1355 GMT 28 Jul 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow July 28 TASS—Russian Defence Minister Pavel Grachev predicted on Thursday that the Bosnian Serbs would sign the latest peace plan proposed by Russia, the United States, Germany, Britain and France.

Grachev, who returned on Wednesday from a 29-hour official visit to the former Yugoslavia, told TASS that he had reached that conclusion after his talks with Serb leaders and army commanders.

The minister said that, although the Serbs were reluctant to respond immediately, the sides came to a mutual understanding that the peace map proposed by the world community could be amended in future negotiations.

According to Grachev, such an approach, which was proposed by Russia, facilitates the restoration of peace in Bosnia and the lifting of international sanctions from Serbia. On the other hand, it could lead to a peaceful transfer to the Bosnian Serbs of areas which they consider vitally important.

Moscow Ready To Get 'Tough' on Bosnia

MK2907085094 Moscow SEGODNYA in Russian 29 Jul 94 p 1

[Yelena Shchedrunova report in the "Diplomacy" column: "Vitaliy Churkin: Negative Incentives Will Have to Be Applied. Russia Is Ready to Impose Tough Measures Against Serbs"]

[Text] Today a session of the "international contact group" at the policy directors level will take place in Geneva. It is to finalize documents which tomorrow will be discussed by foreign affairs ministers from Russia, the United States, France, Great Britain, Germany, and Greece. The Russian side at this session is represented by Vitaliy Churkin, who has just returned from former Yugoslavia where he accompanied the Russian defense minister. According to Churkin, Pavel Grachev's tour gives reason to hope that the Serb side, which still has time to think until this evening, may well give a positive answer to the contract group's proposals.

Otherwise "negative incentives will have to be employed," as provided for under the peace plan, and Russia, Vitaliy Churkin confirmed, is ready for this: "I think that we shall have no other option. It is another matter that this involves rather serious, but still not extreme, measures to influence a side which does not accept the plan. In other words, there is no talk about everybody rushing headlong into extremes. We act on the assumption that the political process must be continued, as well as the negotiating process. But as long as we have worked out such a tough plan, which includes

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not only definitive settlement proposals but also positive and negative incentives, if this plan is not accepted, then negative incentives will have to be used. Otherwise we shall disrupt the possibility of being partners to a settlement. So, no matter how hard and painful this may be for us, I believe that it will need to be said that we have proposed the plan, the Serb side has rejected it, and therefore some additional enforcement measures with regards to the Bosnian Serbs will have to be applied at this point."

So far this involves only such punitive measures as intensifying sanctions against the Union Republic of Yugoslavia: A corresponding resolution will be proposed in the UN Security Council, and its adoption is a forgone conclusion; also, reinforcement of the "safety area" regime in Bosnia will be considered. The most extreme measure—lifting the embargo on arms supplies to the Bosnian government—will not be discussed. "As far as the issue of embargo, it was clear from the outset that in any event, no one at the Geneva meeting or immediately afterwards would raise the question of lifting the embargo. No one is seeking this at present. No one is ready for it at this stage."

Touching on UN General Secretary Butrus-Ghali's latest proposal (which envisions granting freedom of action in Bosnia to the contact group member states), Vitaliy Churkin stressed that they take into account the opinion of Russia which is against control of all operations in Bosnia being handed over to NATO. True, some concern, according to him, is raised by a proposal contained in the third section of Butros-Ghali's report which speaks about empowering NATO, among other things, to conduct possible operations to consolidate the "safety zone" regime. But on the whole the proposals deserve close attention, although questions about their feasibility do arise. "Judging by the initial reaction, we can see that everybody—not only us—is ready for such a drastic formulation of the issue by the UN general secretary. But this is not a subject on which decisions should be made today. And this will not be decided at the Geneva ministers meeting. Everything will need to be discussed, which is what is being done now, as far as I can see, not only in Moscow but also in other capitals."

Protest Over NATO Shadowing of Russian Naval Exercises

LD2807171294 Moscow INTERFAX in English 1441 GMT 28 Jul 94

[From the "Diplomatic Panorama" feature: by correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[Text] Russia believes as abnormal the situation when Western partners are conducting intelligence activities at sea in the areas bordering on Russian territorial waters.

A senior officer at the Russian naval HQ [headquarters] has told Interfax that three nuclear, probably US submarines, were recently spotted at Barents Sea near Russian territorial waters. In addition, the British warship Sheffield stayed in the close proximity of the site where North Sea fleet had its exercises.

He said that partners should not trace one another. "If we are being traced, we shall, and are doing, the same," he said.

Foreign Ministry: 'DPRK Does Not Posses Nuclear Weapons'

LD2807161094 Moscow ITAR-TASS World Service in Russian 1416 GMT 28 Jul 94

[By ITAR-TASS diplomatic correspondents Aleksandr Krylovich and Petr Cheremushkin]

[Text] Moscow, 28 Jul—"According to our data, the DPRK does not possess nuclear weapons," Mikhail Demurin, deputy director of the department for press and information of the Russian Federation Foreign Ministry said at a briefing today.

Commenting, at the request of journalists, on the revelations by a North Korean deserter who said that the DPRK had five nuclear warheads, the Russian diplomat expressed the opinion that "in the sensitive situation which took shape on the Korean peninsula after the death of Kim Il-song and prior to the resumption of the third round of the American-North Korean talks, sensational statements of this kind, not supported by concrete information, do not contribute to a conducive atmosphere for improving the relations between North and South Korea and achieving progress in the dialogue between the DPRK and the United States of America."

M. Demurin reported that Robert Galucci, an aide of the U.S. secretary of state for military-political issues, visited Moscow 26-28 July within the framework of the preparations for the reopening in Geneva of a new round of the American-North Korean talks. He held meetings with Aleksandr Panov and Georgiy Mamedov, deputy foreign ministers of the Russian Federation, and a meeting at the Russian Ministry for Atomic Energy, during which "there took place a detailed exchange of opinions regarding the possible solutions to the nuclear problem on the Korean peninsula, including the possibility of replacing the carbon reactors currently in use in the DPRK by light-water reactors."

The spokesman of the Russian Foreign Ministry said that "the two sides spoke in favor of finding a solution which would take into account the interests of all states involved, and came to the conclusion that such a solution is possible."

Embalming Center Denies Sending Experts To Pyongyang

LD2807200394 Moscow ITAR-TASS in English 1759 GMT 28 Jul 94

[By ITAR-TASS correspondent Andrey Kirillov]

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[Text] Moscow July 28 TASS—The Moscow Centre of Biological Structures, widely known as "Lenin Laboratory", refused on Thursday to confirm reports about sending its experts to Pyongyang for embalming the body of late President Kim Il-song.

The centre's Assistant Director Yuriy Denisov-Nikolskiy, who is reported to be staying in the North Korean capital, has been on vacation since mid-July, a centre official told TASS.

"North Korea has not officially applied for assistance in embalming the remains of Kim Il-song", the official said.

The Lenin Laboratory is considered the world's best-known embalming institute since the death of Vladimir Ulyanov, founder of the first socialist state, whose body has been kept embalmed in the mausoleum on Moscow's Red Square for seven decades already.

Moscow specialists have been also invited to embalm the bodies of Vietnamese President Ho Chi Minh, Czechoslovak leader Klement Gottwald and Angolan leader Agostinho Neto.

Kim Il-song died on July 8, at the age of 82. The whereabouts of his remains have been kept in secret since the mourning ceremony in Pyongyang.

Division Denies Tajik Leaders Asked for Military Aid

LD2907084294 Moscow ITAR-TASS World Service in Russian 0741 GMT 29 Jul 94

[ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 29 Jul—The command of the 201st Russian motorized rifle division has denied that Tajik leaders have appealed to the division for military assistance in connection with the difficult political situation in the eastern regions of the republic. Division commander Colonel Yuriy Naumov told journalists today that neither Tajikistan's head of state nor government leaders had put such a request to him.

The division, which is part of the collective peacekeeping forces, is faced by quite different tasks—first and foremost to maintain peace in the republic, Colonel Naumov underlined. At the same time, he said, subunits of the division are helping Russian Federation border troops to reinforce the guard on the Tajik-Afghan border, in line with the decision by the CIS heads of state.

Grachev Predicts Further Tension on Tajik-Afghan Border

LD2807191194 Moscow INTERFAX in English 1654 GMT 28 Jul 94

[Text] Russia's Defense Minister Pavel Grachev predicts further aggravation of tensions on the Tajik-Afghan border. He told journalists on Thursday that the Tajik leaders should do more in their dealings with the opposition, particularly with the authorities of the Gorno-Badakhshan Autonomous Region.

In his opinion, the border guards cannot cope with their mission of protecting the Tajik-Afghan border. If the commanders of the Defense Ministry had been there, every effort would have been made and all types of weapons would have been used to protect the border and exclude sorties," he said.

He believes that the violations of the border by the bandits will continue until a single military command is established. Border guards, he said, can only protect the ground borders by small units, and do not have either heavy armaments or mobile military equipment.

The enemy is using the border guards' vulnerability. As to the 201st division located in Tajikistan, it just reinforces the border guard formations. "Whatever my critics may say, the border guards and the army need a single command," said Grachev.

Laar Comments on Estonian-Russian Relations Criticized

LD2807172094 Moscow ITAR-TASS World Service in Russian 1214 GMT 28 Jul 94

[By ITAR-TASS diplomatic correspondents Aleksandr Krylovich and Petr Cheremushkin]

[Text] Moscow, 28 Jul—"There is nothing to be gained by building your relations with a neighboring state, especially when it is one like Russia, on the basis of hatred toward it." Vasiliy Svirin, the head of the Russian delegation at the talks with Estonia, said this today in commenting upon remarks made by Estonian Prime Minister Mart Laar regarding the documents signed by the Estonian and Russian presidents.

According to the Russian diplomat, who had departed from his rule of refraining from comment upon statements by highly-placed state officials, M. Laar had "long ago lost any sense of decorum in his pronouncements on Russia and Russian-Estonian relations." "Perhaps in the short term comments of this sort about our country will help him reinforce his position. But in the long term, it is clear that this is not a far-sighted view," V. Svirin emphasized.

In the opinion of the head of the Russian delegation, the Estonian prime minister's statement that Estonia had obtained what it wanted did not stand up to criticism. He recalled that only a few months ago the Estonian leadership was insisting on Russian troops leaving without any agreements or treaties whatsoever on the basis of the "Kutse protocol" that contained two articles: "The deadline for the troop withdrawal and the Estonians' obligation to wave them goodbye." As a result of the talks held on 26 July, two documents were signed in

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a single package—an agreement on withdrawing Russian troops from Estonia and an agreement on military pensioners.

V. Svirin believes that it will be wrong now to look for winners and losers in the documents signed between Russia and Estonia. According to him, "the biggest winner was the goodwill of the two parties, the high understanding of responsibility for the present state of and future development of Russian-Estonian relations, and the desire to build them on the basis of real good-neighborliness and mutual gain."

Army Paper Hails Compromise by Yeltsin, Meri

MM2807142394 Moscow KRASNAYA ZVEZDA in Russian 28 Jul 94 p 1

[Article by Vitaliy Strugovets: "Boris Yeltsin and Lennart Meri Find a Common Language. Now It Is Up to the Estonian Parliament"]

[Text] It is, nonetheless, possible to wing it even in politics. Having disproved all observers' forecasts, Boris Yeltsin and Lennart Meri have once again demonstrated the potential of "presidential diplomacy" by reaching a compromise in solving the problems of the Russian troop withdrawal from Estonia and safeguarding the socioeconomic rights of the Russian-speaking population left in Estonia. On the evening of 26 July the corresponding documents were signed in the Grand Kremlin Palace's St. Catherine's Hall.

It was agreed that the Russian troops would be unequivocally withdrawn from Estonia by 31 August this year. As for social guarantees for military pensioners, their status will be determined individually, by personal application. That is, the Estonians themselves will make the definitive decision as to which pensioners should remain in the republic. This agreement does not unconditionally finalize the position and provide an all-out guarantee that all Russian military pensioners will have the same rights as Estonians. But, as the saying goes, better a bad peace than a good quarrel. Because the situation that had taken shape in Russian-Estonian relations of late was close to causing an international furor. In suspending its troop withdrawal 22 July Russia was virtually renouncing its pledges of two years ago to leave Estonian territory by the agreed date. But the world could not help but heed Moscow's demand that the 300,000-strong Russian community and, in particular, the military pensioners be given guarantees. The two years of talks involving experts, deputy ministers, and foreign ministers bore no fruit. The situation seemed so deadlocked to everyone even on the morning of 26 July that literally an hour before the summit meeting the Russian president's press secretary, Vyacheslav Kostikov, deemed it possible to say that "The Estonians have no constructive approach and they have just come to demonstrate their readiness for dialogue."

The presidents' meeting was indeed only scheduled as a working meeting without the signing of any agreements. But it is thought to be no coincidence that Boris Yeltsin does not like leaving things "for later." That also applies to Lennart Meri, who is described by observers as determined and bold. Perhaps that is why—despite the fact that, according to the Russian leader, the meeting "was difficult"—the presidents came to a definite decision.

While emphasizing both the tough stance assumed by Boris Yeltsin—who linked the problem of the Russian troop withdrawal with the guaranteed rights of the Russian-speaking population in Estonia—and his political restraint against the backdrop of Western pressure, we must also do justice to Lennart Meri. Whereas the Russian president was ready to resolve the prevailing situation not only psychologically but also legally, his Estonian counterpart is extremely limited by the republic's constitution when it comes to concluding interstate treaties. His signature on a document still has to be approved by the parliament. Moreover, the president came to Moscow, as the Estonian Prime Minister Mart Laar said the day before the meeting, carrying a portfolio "which the government had packed." The latter's position has not been notable for being particularly predisposed to an agreement. "Estonia has no reason to make concessions to Russia," the Estonian premier said during the same television interview. Nonetheless Lennart Meri said that he had indeed come to the meeting "with an open mind and a desire to reach a compromise." Even if the Estonian parliament does not now ratify the documents signed—and that is very possible if you recall the conflict of two months' standing between the speaker and the president over these selfsame military pensioners—at any rate the heads of state have graphically shown the whole world their desire for good-neighborly relations. Which is of no small significance since we must join Estonia in the near future in settling the equally acute questions of the border, the naturalization of the 300,000-strong Russian-speaking community living in the republic, and other problems.

...All the same, the Estonian parliament has the last word. In effect, the future of Russian-Estonian relations is in their hands, and it is not that hard "to cheat" Russia, which has once again shown good will and trust in its partners: All that is needed is to drag out ratification of the treaty or not vote for it at all. But that is no longer a political tactic.

Government Speeds Removing Military Equipment From Estonia

LD2807133294 Tallinn Radio Tallinn Network in Estonian 1100 GMT 28 Jul 94

[Excerpt] The decommissioning of the Russian military airport at Amari [near Tallinn and Paldiski] is progressing at full speed. Two ships carrying equipment from Amari airport left Paldiski [Russian naval and nuclear base near Tallinn] harbor yesterday and today, ETA reports. At least seven more ships are expected at Paldiski in August to collect military equipment.

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A high-ranking Russian officer stated that all military equipment will be removed from Amari in the near future, but the landing and takeoff strip will continue under Russian military administration until the dismantling of the Paldiski nuclear reactor is completed. The explanation for this was that should any extreme or emergency situation arise during the dismantling, any necessary help or materials could be delivered quickly using the airport located very close to Paldiski. [passage omitted]

Grachev Says Troop Withdrawal From Germany Complete

LD2807114694 Berlin DDP/ADN in German 1111 GMT 28 Jul 94

[Excerpts] Moscow (DDP/ADN)—Russian Defense Minister Pavel Grachev said the withdrawal of Russian troops from Germany is for all intents and purposes complete. Grachev told DDP/ADN in Moscow today that "all combat units have returned from Germany. Only those units taking part in the official farewell ceremony for Russian troops remain." [passage omitted]

Grachev conceded that the troops' return had caused "extraordinary difficulties," chiefly to do with providing accommodation for returning professional soldiers. "It's simply not that easy to bring back a machinery as huge as this within four years," Grachev said. Other countries with far smaller armies would have needed much longer for such an operation.

Siemens Joint Venture To Make Nuclear Power Control Systems

MK2807140294 Moscow NEZAVISIMAYA GAZETA in Russian 28 Jul 94 p 4

[AEN report under the "In Brief" rubric: "Russian Nuclear Power Plants To Get Reliable Automated Control Systems"]

[Text] The Siemens concern together with the Russian Federation Atomic Energy Ministry has set up a new joint venture in Russia, Nuklearkontrolle, to produce automated systems to control technological processes in nuclear electric power stations. The firm's share in the new joint venture is 31 percent.

Nuklearkontrolle undertakes to perform the entire range of work, including the production, delivery, adjustment, and servicing of automated systems for nuclear power plants, said Yevgeniy Ignatenko, first vice president of the Rosenergoatom concern, who was elected chairman of the joint venture's board of directors.

Nagorno-Karabakh Cease-Fire Signing Welcomed

LD2807223394 Moscow ITAR-TASS World Service in Russian 1155 GMT 28 Jul 94

[By ITAR-TASS diplomatic correspondents Aleksandr Krylovich and Petr Cheremushkin]

[Excerpt] Moscow, 28 Jul—Mikhail Demurin, deputy head of the Russian Foreign Ministry's information and press department, said in an official ministry statement on 28 July that Moscow welcomes the signing, at Russia's suggestion, of a document whereby the parties in the Nagorno-Karabakh conflict agree to prolong the cease-fire begun 12 May. He said that the cease-fire had created favorable conditions for restoring peace and stability to the region. [passage omitted]

Federation Council Requests FBI Information on Mafia

LD2807160694 Moscow ITAR-TASS in English 1445 GMT 28 Jul 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow July 28 TASS—The Russian Federation Council sent the United States Senate a request that the Federal Bureau of Investigation forward to the Russian upper chamber the information it has on the Russian mafia and the lists of Russian citizens who are storing their ill-gotten gains in bank accounts in America.

Media reports during the recent visit of FBI Director Louis Freeh claimed that he showed a high official in the president's administration lists of such Russians. These reports convinced the Federation Council that it would also like to possess that information.

Moscow Unhappy With Amended Latvian Citizenship Law

LD2807153994 Moscow ITAR-TASS in English 1334 GMT 28 Jul 94

[By ITAR-TASS diplomatic correspondents Aleksander Krylovich and Pyotr Cheremushkin]

[Text] Moscow July 28 TASS—According to Russian Foreign Ministry spokesman Mikhail Demurin, the newly-amended Latvian law on citizenship "does not meet the spirit and letter of international human rights standards, since it divides the population of the country into different sorts and castes".

Speaking at a briefing on Thursday, the spokesman said that the Foreign Ministry's preliminary assessment of the citizenship law is that the Latvian parliamentarians declined to implement any significant improvements. The law details the procedures by which non-ethnic Latvians are able to receive citizenship in that country, which greatly affects the fate of the many ethnic Russians caught "abroad" in the republic after the dissolution of the Soviet Union.

"There have been certain changes made in the law, which must be carefully studied and deeply analyzed, but it is already clear to us" that the new law does not correspond to international standards, Dubinin said.

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Credits to Armenia in Doubt Over Lack of Laws

MK2707143394 Moscow SEGODNYA in Russian 27 Jul 94 p 5

[Report by Gamlet Matevosyan under the "Credit" rubric: "Armenian Parliament Ratifies Treaty With Russia. Will Russian Federation State Duma Ratify it?"]

[Text] Armenia's Supreme Soviet has ratified a treaty concluded in Moscow 4 July 1994 between the governments of the Republic of Armenia and the Russian Federation on the extension by Russia of an 110 billion ruble interstate credit. The credit is to be granted till 1999 with the repayment scheduled to start from 1 January 1996. Out of the total sum, 60 billion is to go toward restarting the Armenian AES [Atomic Electric Power Station]. Ten billion is allocated toward the needs of the region hit by the 1988 earthquake, with the balance earmarked for buying fuel and raw materials. Russia has asked as collateral 15 percent of the shares in Armenia's major enterprises—the "Nairit" scientific and industrial association, the "Armelektromash" trade association, the Armenian AES, and the St. Petersburg branch of the Yerevan brandy factory.

According to Levon Barkhudaryan, the finance minister of the Republic of Armenia, who spoke during the discussion of the treaty in parliament, this credit is of the greatest importance for the republic, and it will enable the solution of a number of strategic tasks, in particular the problem of the restoration and running of the atomic station, something Armenia is vitally interested in.

In the meantime some experts voice doubt that the State Duma of Russia will be able to ratify this treaty without difficulties. The doubts are based on the fact that Armenia's enterprises have not been publicly floated yet. More than that, Armenia still has no law on joint-stock companies. When and how the Armenian parliament is going to pass it is unknown. The State Committee on Privatization is in no hurry about public floating. The reason being the differences in the way we understand closed joint-stock companies from the way they are generally understood by the developed countries. Which is why the law on joint-stock companies is being drafted only by the Economy Ministry, with the aid of foreign experts.

Since the Russian Federation State Duma is quite probably not going to ratify this treaty, representatives of the Republic of Armenia Supreme Soviet finance and budget commission have been dispatched to Moscow for talks with members of the corresponding commissions of the Russian parliament.

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Political Issues

Presidential Staff Chief Secretary Replaced

MM2807105994 Moscow ROSSIYSKIYE VESTI in Russian 28 Jul 94 p 1

[Unattributed, untitled report under "Snapshots" rubric]

[Text] By a directive of the Russian Federation president Petr Petrovich Korolko has been appointed chief of the secretariat servicing the Russian Federation Presidential Staff leader and his deputies. V.N. Pryamukhin has been relieved of this post at his own request.

Shakhray Opposes Election Delay

MK2807133794 Moscow KOMMERSANT-DAILY in Russian 28 Jul 94 p 3

[Leontiy Bennigsen report: "The Regions' Party Has Come Out Against Regional Leaders"]

[Text] After State Duma speaker Ivan Rybkin surprisingly sided with his colleague Shumeyko on the desirability of extending the terms of all power branches, Vice Premier Sergey Shakhray reacted at once: Yesterday he again condemned Shumeyko's project. Some nuances of his statement make it absolutely unclear on which political forces Shakhray is going to rely.

Confirming the invariability of his position—elections are necessary, just as a safety valve in an overheated boiler is indispensable—Shakhray for the first time gave an open indication as to who is the most zealous advocate of election postponement: regional leaders. "The sum total of forces favoring an extension of powers is rather impressive," the vice premier concluded.

That the sum total is impressive is only half the trouble. It is more important that this sum includes primarily those on whom Shakhray placed his main bet: provincial leaders. The leading thesis of the party's ideology—"PRES is the party of the regions"—is coming into an irreconcilable contradiction with Shakhray's wish to see elections held within the constitutional time frame even if contrary to the wishes of his main (theoretically) social base. An explanation of this seemingly suicidal statement may be that Shakhray has long ceased to enjoy any special relations with the regional leaders not just in theory but also in practice: Here he has been sidelined by Vladimir Shumeyko, initiator of the term extension idea. Shakhray tried to assert himself in the CIS integration processes but here too the poor guy was upstaged—by Shumeyko's rival, who yesterday met with Ukrainian Supreme Soviet Chairman Moroz. The victorious Shumeyko indeed has no need for elections while for Shakhray, driven into a corner, they appear to be both a desirable and necessary way out of the deadlock.

New Centrist Party Advocates Strong State, Army

MK2907113694 Moscow SEGODNYA in Russian 29 Jul 94 p 2

[Report by Viktor Khamrayev in the "Party Development" column: "'Russian Style' will Make Russian Army 'World's First.' Germes- Interfinans President Has Become Party Leader"]

[Excerpts] In the Moscow hotel Molodezhnaya, the founding congress of yet another party—Russian Style [Russkiy stil']—has been held. The 51 delegates—representatives of 44 Russian regions and several "organizations" (the international program "Russian Style. Traditional and Martial Arts;" Orbita-Servis; and all the subdivisions established by the Germes-Interfinans concern)—unanimously recognized their party as centrist, obligating it "to form, as soon as possible, a sound Russian statehood through reviving, preserving, and consolidating Russian national awareness and Russian spirituality, in union with the supreme achievements by all the peoples of the country and world civilization."

Organizing Committee Chairman Georgiy Kulikov, elected as the party's first deputy chairman, gave a report. Describing the situation in Russia as critical and pointing to a lack of "socio- philosophic substantiation of reform, Kulikov cited a number of required state and national programs, which will be upheld by the new party. One program—a package of legislative enactments to consolidate law and order—has been worked out already, Kulikov said.

The Stylists' special area of concern will be the army, whose consolidation will require "every effort, so that the army emerges as first in the world, and Russia as first on the world arms market." "There exists the principle that might is right," Kulikov said, commenting on the party's military duty, "but it is not declared openly; it sits deep inside the soul of every person. If the state is strong, it is respected and revered." [passage omitted]

Georgiy Semin, Germes-Interfinans president, was elected party chairman. [passage omitted]

Economic Issues

Chernomyrdin Advocates Conversion, Opposes Protectionism

MM2907103194 Moscow ROSSIYSKIYE VESTI in Russian 29 Jul 94 p 1

[Unattributed report: "Viktor Chernomyrdin: Time of Gambling on Production of Military Output Has Passed"]

[Text] Prime Minister Viktor Chernomyrdin has expressed himself in favor of the accelerated transfer of military-industrial complex enterprises to the production of civilian output. He has completed a working tour

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of the Volga region, addressing a conference of directors of 30 plants in Penza on his last day.

"The task of the government and the directors of military-industrial complex enterprises," Viktor Chernomyrdin said, "is to transfer more rapidly to the production of civilian output. The time of gambling on military output passed long ago."

Viktor Chernomyrdin spoke of himself as an opponent of protectionist measures. He believes that it is essential not to cut off the flow of competitive goods from abroad but to produce output of the same quality ourselves. "We have already closed ourselves off from abroad to such an extent that the automobiles produced in our country do not go and no one wears our suits," Viktor Chernomyrdin said. He noted that protectionist measures "are justified today only with regard to agricultural producers and even then only as a temporary measure. The Russian Government is having difficulty holding up the borders against the influx of competitive imports, constantly coming up against the demand to protect the Russian producers."

Dubinin Foresees MMM Collapse Before Sep

LD2807215894 Moscow 2x2 Television in Russian 2055 GMT 28 Jul 94

[Text] I am not certain that MMM can last until September, acting finance minister Sergey Dubinin, accompanying the Russian president on a visit to Krasnoyarsk Kray, told POSTFACTUM agency in an exclusive interview. In the opinion of the acting minister, MMM is built on a risky gamble in which each new settlement uses the funds of the previous investor. Commenting on the situation which has arisen around MMM Joint Stock Company, the acting finance minister said that risk with nonstate enterprises is higher than that with state enterprises.

MMM Share Prices Collapse

LD2907110194 Moscow ITAR-TASS in English 1024 GMT 29 Jul 94

[BUSINESS-TASS report]

[Text] Moscow July 29—The value of one share in Russia's now-notorious MMM company fell on Friday by more than 100 times to a mere 1,000 roubles (about 50 cents). Yesterday's official buying price, set by MMM, was 125,00 roubles, while the black market price hovered just under 100,000 roubles.

MMM president Sergey Mavrodi announced the new stock price in a letter on Friday circulated among the thousands of share holders who have collected around the company's exchange office on Varshavskoe Highway in hopes that they would be able to exchange their stock for cash.

Luzhkov Opposes Imposition of Customs Duties on Foodstuffs

LD2807172194 Moscow INTERFAX in English 1339 GMT 28 Jul 94

[Text] Customs duties on imported foodstuffs will not solve the economic problems faced by Russian farmers, while they will aggravate social tension in the largest Russian cities, believes Moscow's Mayor, Yuriy Luzhkov. In an exclusive interview with Interfax he said that his meeting on Friday with Russian Prime Minister Viktor Chernomyrdin will make it possible to suggest a final and balanced solution to the problem of customs duties on imported goods. To do this the Russian Government needs merely to demonstrate understanding and will, the mayor noted.

Luzhkov is sure that the desire of Deputy Russian Prime Minister Aleksandr Zaveryukha and his supporters to enforce the protectionist measures are nothing but an attempt to reinstate the economic model of 1992-93, when agricultural producers raised prices to compensate for the decline in production. Such a scenario is now impossible since Russian prices have reached the world level, said Luzhkov.

Under present conditions, higher prices for imported goods will spell a sharp growth in prices for Russian agricultural products, making them practically inaccessible to the majority of the urban population, Luzhkov warned. This especially goes for large centers whose residents often have no land on which to grow their own food.

According to the Russian Mayor's Office, if customs duties are introduced, retail prices for one kilo of beef will grow by 64 percent, butter - by 53 percent, vegetable oil - by 97 percent, sugar - by more than twice. Naturally, believes the Moscow Mayor, the social reaction to such price hikes will cause a negative reaction, most of all among residents of large cities.

Luzhkov explains his stand on the need to cancel customs duties for imported food imported into Russian major cities by referring to the foreign experience. While customs duties for basic imported goods fluctuate in the Russian Federation between 15 and 20 percent of the product's price, in the United States the average customs duty is 2.8 percent. In the countries of the European Union this index does not exceed 5 percent and imported food to such major cities as Hong Kong and Singapore are exempt from duties.

"I am sure that the prime minister, after listening to these figures, will be able to assess the situation and cancel customs duties on the import of food items to Russia's major cities. Otherwise, there is risk of creating a famine in these cities, even while shelves are full with goods," Luzhkov warned.

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Limitations of Privatization Edict Pointed Out

MM2807152594 Moscow IZVESTIYA in Russian 27 Jul 94 p 2

[Report by Igor Karpenko: "Money Stage of Privatization Is Starting Nonetheless"]

[Text] Many mass media have been somewhat hasty in reporting that a new privatization program has been adopted under the edict signed by B. Yeltsin. In fact only its basic provisions have been put in place at the present time. They supplement the existing program, so to speak, and enable privatization to continue even after the demise of the voucher.

The remaining share of government stock in enterprises floated prior to 1 July, plots of land adjacent to enterprises, and real estate will be privatized in exchange for money at auctions and investors' meetings. The opening price for assets at these auctions will go up by 1,000-1,200 percent. The collectives of the newly privatized enterprises are entitled to 25 percent of the free stock under the first benefits option. Under the second option—when the controlling stake of 51 percent of the stock is bought out—they will be entitled to acquire 10 percent of the stock at a 30-percent discount. The "basic provisions" also take account of the amendments submitted to a conciliation commission of government members and deputies in the course of the State Duma session debates. Among the more important amendments we should draw attention, for example, to the Duma's entitlement to decide the issue of privatizing enterprises employing more than 50,000 people or those with incorporation capital of over 200 billion rubles.

The president has not thought it necessary to adopt the new program in its entirety because it envisages some axing of benefits, alterations to tax bills, and a number of other points legally requiring parliamentary and legislative ratification. However, the text of the actual edict tasks the government with preparing normative documents for altering benefit and taxation levels with a view to submitting these changes for Duma consideration. The final paragraph of the edict stresses that the basic provisions will come into effect prior to the ratification of the law on the monetary stage of privatization.

This presupposes the future involvement of parliament in clarifying the new privatization program before the deputies go off on vacation. The attempt by the president and the government to reach a compromise with parliament in order to ensure the maximum legitimacy of the new program is entirely understandable. However, it is impossible to wait until the parliamentary vacation is over and thus postpone the monetary stage of privatization by three months. This would be ruinous for the economic reforms and for Russia as a whole.

In my view, the biggest problem in the present situation is the fact that, on flotation, enterprises can take up either the benefits applicable under the old program or the newly introduced benefits. However, Anatoliy Chubays believes that indexing the price of assets and increasing their value by 1,000-1,200 percent means that in reality only the new benefits will be used. The vast majority of collectives will be unable to find the money to buy out the controlling stake of 51 percent of the stock at the new prices.

It is well known that the new privatization program was blocked by the Liberal Democratic Party, the Communists, and the Agrarians. Is there a realistic chance of the new law's being adopted in the fall? In many ways this will depend on the Duma's economic committees. Answering my question about the position they have taken, A. Chubays was surprisingly optimistic:

"The committees for economics, finance, ownership, privatization, and industry, and most importantly their leaders, have displayed a professional propensity for real parliamentary work. As an economist and a member of the government I have personal disagreements with them, in some cases very major differences of opinion. At the same time they have shown themselves capable of rejecting everything that is incompatible with our position and concentrating on what actually is compatible.

"Unfortunately, it must be stated that not everybody can boast such a capacity. We have learned that the Communist faction has decided to appeal to the Constitutional Court, demanding that the president's edict be checked to see whether it is in line with legislation."

Rate of Consumer Price Increases Slows

MM2907091594 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jul 94 First Edition p 3

[Report "based on data provided by Russian Government Economic Conditions Center Price Analysis and Forecasting Administration" followed by unattributed commentary: "The Week's Price 12-19 July. Go to the Market in the Summer; Food Is Cheap There"]

[Text] According to state statistics organs, in the past week the overall inflation index totaled 101.2 percent, whereas the figure had been 103.9 percent since the start of the month and had increased by a factor of 1.9 since the beginning of the year. The increase in rates for consumer services still exceeds the rise in the price of food and nonfood commodities. In the past week the prices of food, nonfood commodities, and consumer services rose by 0.8 percent, 1 percent, and 3.1 percent respectively.

The greatest change in the prices of goods and services was recorded in the Ural region—up 2.3 percent—and the smallest in the Volga-Vyatka Region—up 0.3 percent. Consumer prices of goods and services rose more slowly in Moscow and St. Petersburg than in Russia on average.

For the first time a small (0.8-percent) fall in prices was recorded at unorganized trading outlets. Whereas prices

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at organized trading outlets rose by 1.1 percent. Over the past week as a whole prices of sugar and salt, vegetables, and bread and flour rose on the consumer market by 4 percent, 2.5 percent, and 2 percent respectively. The price of dairy produce, animal fat, eggs, and fruit did not rise compared with last week.

In the past week the prices of food in certain areas changed fairly evenly, their differentiation totaling 2 percentage points.

As of 19 July the average cost of the basket of 19 most important foods was 60,900 rubles [R] per month, up 1.3 percent over the week, 6.1 percent since the beginning of the month, and 200 percent since the beginning of the year. The basket of goods cost R58,500 and R72,600 at organized and unorganized trading outlets respectively.

Top Cities in Terms of the Cost of the Basket of 19 Most Important Foods in 1994 (Rubles Per Month Per Capita)

Cities	19 July	12 July Ranking
Russia as a whole, including:	60888	X
Cities with maximum cost		
Magadan	189856	1
Yuzhno-Sakhalinsk	155780	2
Yakutsk	143037	2
Vladivostok	126178	5
Cities with minimum cost		
Ulyanovsk	36940	1
Taganrog	40751	2
Omsk	42315	3
Yelets	43726	5
Belgorod	43790	17

The gap between the maximum and minimum cost of the basket in Russia's various cities has increased and totals 4.1 times (the previous week the figure was 3.9 times). The Far East economic region is still the most "costly" in terms of the cost of the basket of goods—R105,900 per month. While the "cheapest" in the past week was the Central Chernozem Region—R46,800.

One must point out that in 10 cities prices of the foods in the basket rose by more than 10 percent on the whole; in Vorkuta and Yoshkar-Ola the increase was over 20 percent.

Over the week the cost of the consumer basket in Moscow and St. Petersburg was R67,700 and R67,900 respectively. Moscow is still 27th on the list of recorded cities in terms of costliness, while St. Petersburg has overtaken Moscow, moving from 29th to 26th place.

The growth rates of prices of nonfood commodities have gradually slowed—over the last six weeks prices have risen by no more than 1 percent a week. In the week the greatest price rises were recorded for matches and wallpaper—up 3 percent, medicines—up 1.9 percent, and fuel—1.6 percent (including firewood—up 14 percent). Prices of winter footwear and tobacco products remained at the June level.

No Pineapples or Grouse

The Russian Ministry of Labor's All-Russia Center for Living Standards pointed out that during the first half-year the real monetary income of the statistical average Russian stabilized. Every one of us who does not rank among the poor 10 percent or the 10 percent Russian-style billionaires could buy with his income 2.25 baskets of goods and services. We will talk about services another time. Let us now talk about food.

The medics assert that the consumer basket provides everything that a person needs. It comprises 11 groups of 30 named foods. These include bread products, potatoes, a small range of vegetables, a minimum number of home-produced fruits, eggs, vegetable oil, and margarine. There is sugar and even confectionery products. The list includes a group of "miscellaneous items"—salt, pepper, etc. Needless to say there is no white salmon, much less black caviar.

Light Seen at End of 'Dark Tunnel of Crisis'

MM2907083194 Moscow IZVESTIYA in Russian 27 Jul 94 p 2

[Article by Aleksandr Shokhin, vice premier of the Russian Federation Government: "Moderate Government Optimism..."]

[Text] The worst-case forecasts of economic development—of which there was no shortage six months ago—have not come to pass. Just what can we expect now that it transpires that the rumors of a coming collapse were "somewhat exaggerated"? What will the economy's performance actually be like in the next six months?

The overall economic situation will remain very tense in the third quarter and through the end of 1994. But we expect a slowdown in the rate of decline in industrial production.

At a time of structural improvements the situation in tractor manufacturing, agricultural machine building, and the electronics and textile industries will be particularly unfavorable. The uncompetitiveness of output when measured against imports and the loss of the domestic market are complicating the situation. But even in these sectors a stable group of leaders has emerged. Thus, the Novolokskiy Cotton Combine, the Yoshkar-Ola and Kansk (Krasnoyarsk Kray) Knitwear Factories, and the "Baumanets" Joint-Stock Company in Moscow have increased their output. How? By actively investing in boosting their circulating capital, abandoning long-term investments, destocking, and ensuring modest wage growth. On the other hand, the No.18 Grain Plant (Moscow), while constantly

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improving its range and without lowering its production levels, has brought profitability up to 26.4 percent, allowing it to amass funds for retooling.

The subsistence wage may increase to 140,000-150,000 rubles [R] by the year's end. The proportion of the unemployed as a percentage of Russia's labor resources will average 3.6-4 percent by the year's end. Hidden unemployment is expected to increase as well. But nobody plans to let the full force of the privations to be endured in the course of restructuring fall on the shoulders of the population or to throw people out onto the street. The restructuring process will be spread out over a period of time.

Investment over the year as a whole is forecast at R100-110 trillion. A more upbeat investment forecast is possible in the last quarter of the year provided there are rapid returns from the measures envisaged by B. Yeltsin's edicts "On Housing Loans" and "On Measures to Ensure Completion of Unfinished Housing Construction" and also from the tax breaks for foreign investment and the other measures envisaged by the planned Federal Investment Program for 1994.

In these circumstances we have calculated that there will be no fall in living standards for the bulk of the population. This forecast is based on a lowering of the inflation rate, the strengthening of social protection, and the development of small businesses. Retail trade will increase, despite the decline in Russian production volumes. At the same time, targeted social protection for the population based on the implementation of the Russian president's edict "On Increasing the Size of Compensation Payments for Certain Categories of Citizens" will be increased. The share of capital expenditure earmarked for nonproduction construction will be expanded—it will comprise 45 percent of total investment volume by the year's end. This means that servicemen will get more accommodations, that resettlement from the regions of the Far North will be financed, that education in Russia will be developed, that the activity of cultural facilities that are considered national assets will be ensured, and so forth.

Thus, in the second half of the year the government's efforts in the economic sphere will be focused in four main areas:

support for the most efficient production facilities and investment projects showing rapid returns, along with the reorganization and conversion of unviable enterprises and loss-making sectors;

the creation of favorable conditions for attracting private Russian and foreign capital into the development of priority production facilities, sectors, and regions. The Finance Ministry will have to draw up a concept for a new tax system that reduces tax rates and streamlines concessions in a way that is geared to boosting production and investment;

the transition to a new type of privatization on an auction and tender basis on condition that investment is put into the facilities being privatized;

targeted social support for the disabled, pensioners, large families, and other needy population groups in creating the economic, organizational, and legal prerequisites for the self-development of socially active groups.

All this will make it possible to bring the forecasts for economic development in the second half of the year closer to the version of an active economic stabilization policy. This means that a real basis will be created for Russia to get out of the dark tunnel of crisis. Our aim is to transfer a certain proportion of state resources from subsidies and aid for enterprises with no future toward investment and support for enterprise, thereby bringing to an end the slump in unpromising sectors.

To sum up, it can be said that the predicted economic collapse has not happened. We are not looking at the economy through rose-colored glasses. We realize that it will be difficult to keep control of the situation, but that it is possible. And, perhaps, certain politicians would do better to stop looking at Russia through dark glasses and cooperate with the government to resolve the tasks of getting the economy out of the crisis. We for our part are prepared to cooperate with the Federal Assembly, the regions, social partners, and democratic and political movements.

Grain Harvest Forecasts Deemed 'Optimistic'

MM2807090794 Moscow IZVESTIYA in Russian 27 Jul 94 p 13

[Report by Vladimir Shmyganovskiy under "Grain '94" rubric: "Plenty of Forecasts, No Optimism"—from the "Expert Analysis" section]

[Text] The proud declarations of our top officials to the effect that Russia is finally to stop importing grain were evidently somewhat premature.

The truth is that during that period (end of 1993/beginning of 1994) no one would have sold grain to us: All the credit lines were closed for Russia, and it was not in a condition to buy foreign grain for hard cash.

In the opinion of Candidate of Economic Sciences Andrey Sizov, general director of the "SovEkon" firm, a situation could now arise whereby it will be necessary either to import grain for the baking industry, or to limit its consumption.

So, will grain be purchased abroad? This assumption is backed not just by the universal reports of less optimistic forecasts by comparison with last year and the wholesale demise of winter crops. The point is that the Paris Club of creditors has deferred the payment of Russia's debt to January 1995, and this formally presents the possibility of opening new credit lines.

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And of course, it is no coincidence that Michael Espy, U.S. secretary of agriculture, has decided to visit Moscow. His meeting with Vice Premier Aleksandr Zaveryukha is unlikely to be a routine protocol showpiece.

Tonne of Grain for Every Russian Remains a Utopia

In lieu of his assessment of the next harvest, Ivan Gridasov, chief of the Russian Ministry of Agriculture and Food's Plant-Growing Main Administration, refers to government decree no. 126 of 23 February "On the Economic Conditions of the Functioning of the Russian Federation Agro-Industrial Complex in 1994," which envisages the production of not less than 89 million tonnes of grain.

In Gridasov's opinion, to give other forecasts would be premature: It is necessary to see how things go in the Urals and Siberia before contesting the figure in the decree.

The dream of all Soviet agrarian policy in past years—to produce a tonne of grain per person—has been abandoned in view of its obvious unfeasability. A figure of 10 million tonnes less grain than last year is projected.

Mikhail Logachev, deputy departmental chief of the "Roskhleboprodukt" ["Russian grain products"] corporation's "Zerno" ["Grain"] firm, cites as one of the reasons for this the arbitrary reduction in the area under crops. Formerly this was strictly monitored from above, ow the producer himself decides what to sow.

More than any harvest forecasts, the firm, which purchases grain for federal state needs, is concerned about grain prices. Since it is already clear that a purchase price far in excess of 200,000 rubles [R] per tonne will be established, this could give an impetus to a new wave of inflation in the country, and the cost of a kilogram of grain will exceed R2,000 by the end of the year.

Hydrometeorological Center and Satellites Tend To Exaggerate

According to the forecasts of the Russian Federal Service for Hydrometeorology and Environmental Monitoring, the country should grow a harvest of 92-96 million tonnes.

Candidate of Geographical Sciences Anna Strashnaya, chief of the Russian Hydrometeorological Center, says that a method developed by Soviet scientists back in the late sixties enables the harvest to be predicted within a margin of error of 10 percent.

This forecast is worked on by an extensive network of hydrometeorological stations monitoring the weather and the condition of crops, the "Planeta" Scientific and Technical Department (which collects data via satellite), and the Scientific Research Institute of Agricultural Meteorology.

Anna Strashnaya rates especially highly the accuracy of the U.S. satellite services' monitoring of the Russian harvest.

Last year the agrometeorological forecasts department predicted a harvest of 106 million tonnes. The mistake was significant, because losses during harvesting amounted to 20 percent. Such "harvesting," naturally, cannot be predicted.

The current year cannot be called extreme, but a complex situation is nevertheless developing in the Non-Chernozem Zone and the Urals. In the Non-Chernozem Zone, for instance, the corn is not growing.

Plus and Minus in the Field and at the Granaries

How much grain is grown (according to forecasts and in reality) is not as important as how much is collected, purchased, and preserved.

According to "SovEkon" data, this year is manifestly worse than last year in terms of one of the constituent forecasts—the assessment of the state of the material-technical base.

"As of 1 July roughly 40 percent of agricultural equipment was not ready for the harvest (compared with 30 percent last year), Andrey Sizov comments. "But even then, given the state of readiness, it was impossible to gather the whole harvest."

During the year the production of tractors has fallen drastically (more than fivefold), as has the production of combines (sevenfold) and other agricultural equipment.

As usual, there are no spare parts.

In short, the country's agrarian sector has lost ground during the year.

Military & Space Issues

Gromov Calls Budget 'Catastrophically Inadequate'

LD2807163194 Moscow Ostankino Television First Channel Network in Russian 1200 GMT 28 Jul 94

[Video shows ships at sea, Gromov in uniform, addressing camera, shipbuilding works; report captioned "Voyentv;" from the "Vremya" newscast]

[Text] The northern fleet has finished its exercises in the Barents Sea. These exercises are among the largest in recent times, with more than 20 ships and submarines taking part, including the Admiral Nakhimov guided missile cruiser. Major forces from the air force and the naval infantry were also involved in the exercises. The Russian Navy's need for such exercises goes without saying, but limited finance is not just threatening the sailors' combat training but the future of the navy as a whole.

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[Begin Gromov, Navy commander in chief, recording] The budget allocated to military needs is catastrophically inadequate. We must preserve both the technologies and the ships which are now able to sail and which are capable of meeting modern standards in completing tasks. At the same time we must not permit new work on developing hardware and designing ships and submarines for the 21st century to be stifled. [end recording]

Not a single new fighting ship has been moored at Russian docks in the past three years. Moreover, there is a questionmark over the completion of the construction of the almost complete Peter the Great missile cruiser at the Baltiyskiy works. The State Duma was meant to discuss the catastrophic situation in the navy on 26 July, but deputies postponed the discussion and broke for their recess.

Further on Gromov Remarks

LD2807165594 Moscow Russian Television Network in Russian 1350 GMT 28 Jul 94

[From the "Military Courier" program]

[Excerpts] [Correspondent Vladislav Aryasov] Whereas the navy had 548 craft in 1992, it had only 460 in 1993, by the year 2000 only 300 will remain, and by 2010 there will be just 191 ships. [passage omitted]

Only 20 percent of the money needed is currently being allocated to maintain the Navy. It is already clear that there will be no serial construction over the next 10 years of major new ocean-going submarines, aircraft carriers, helicopter carriers, and heavy missile cruisers. In the best case, the Peter the Great missile cruiser, the construction of which began at the Baltiyskiy works many years ago, will be launched, if the Defense ministry and the Navy's General Staff can get hold of the money to finish its construction.

[Begin recording, A. Kokoshin, Russian first deputy defense minister] It will be a crime if this ship is not finished and is not finished in the shortest possible time. The ship is needed by the Armed Forces and by the country, which is in a difficult situation, and in such a situation cannot permit such a unique creation to remain unfinished. [end recording]

Gromov Views Naval Shipbuilding Program

LD2907111794 Moscow Russian Television Network in Russian 1350 GMT 28 Jul 94

[From the "Vesti" newscast; interview with Feliks Gromov, commander in chief of the Russian Federation Navy, by correspondent Igor Krondo; date and place not given—recorded]

[Text] [Gromov] We must have good, balanced forces capable of sailing the oceans. We have a shipbuilding program. There is, of course, a question mark over it at the moment. But at the same time we give priority in the program to those developments which involve new technologies and new, state-of-the-art weapons, those which involve hydro-acoustic stations, navigation systems, control systems.

What are we doing in this sphere at the moment? We are developing a good, ocean-going ship. It will not be a nuclear ship but it will be quite reliable and, the main thing, its engine must be economical and it should have with weapons which are a step ahead even of the weapons which the Petr Velikiy [ship currently under construction] has. We must preserve both the technologies and the ships which are now able to sail and which are capable of meeting modern standards in completing tasks. And at the same time we must not permit new work on developing hardware and designing ships and submarines for the 21st Century to be stifled.

[Krondo] You would think that in these circumstances ships would be standing idle and there would be economizing of resources and fuel. But this is not the case. They are going out to sea in defiance of all objective and subjective circumstances. Ships went to sea 500 times during the first four months of this year and they carried out more than 300 artillery and military exercises. Moreover, they operated not just in the coastal areas but in the Indian Ocean, Atlantic, and the Mediterranean Sea as well.

[Gromov] The first half year's results have been summarised. We have started on the second six months of combat preparations. We have naval strategic nuclear forces and general troops at sea carrying out these tasks, combat patrols, and around 30 ships of various classes. And several submarines are under the ice, are sailing underneath the ice in the Artic. So we have these skills and we will not let them go of these skills because this great experience has taken centuries to acquire. Whether we like it or not the budget which has been allocated to military needs is catastrophically inadequate. It is not sufficient even to pay for fuel. It is not sufficient to pay for the electricity used or for water, not to mention the difficulties which arise in maintaining combat readiness, the hardware, the weapons, ship repair.

Mir Cosomonauts Continue Experiments

LD2907110494 Moscow ITAR-TASS in English 0948 GMT 29 Jul 94

[Text] Flight Control Centre (Moscow region) July 29 TASS—The crew of the 16th main mission aboard the Mir space station is completing its fourth work week in space.

Under the environment-study programme, cosmonauts Yuriy Malenchenko, Talga Musabayev and Valeriy Polyakov made new snapshots of various areas in Russia and Kazakhstan.

They continued astrophysical experiments with the use of telescopes at the international "Rentgen" observatory as well as explorations to study interaction between

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high-energy charged particles and the Earth's radiation belts, which are conducted with a magnetic spectrometer.

The work programme for Friday includes astrophysical experiments, medical checkups of the cosmonauts and technical experiments. The crew will fulfill planned preventive work with the onboard equipment for a water regeneration system.

The flight of the Mir orbital station proceeds normally. The cosmonauts feel fine.

Federal Assembly

Law Passed Raising Minimum Pension

LD2807172994 Moscow INTERFAX in English 1339 GMT 28 Jul 94

[Text] A law passed by the upper house of parliament on Thursday would set the minimum monthly pension in Russia at 48,400 rubles. This includes a basic minimum pension of 28,700 rubles plus a compensation allowance of 19,700 rubles established last February. The law would also increase all pensions by a factor of 1.51.

However, the upper house Social Policy Committee chairwoman Galina Karelova said the new size of the minimum pension was still below the amount a pensioner could live on, which, according to the State Committee for Statistics, last month reached 59,300 rubles.

Upper House Does Not Back Baskhir Premier's Dismissal

LD2807202594 Moscow ITAR-TASS in English 1906 GMT 28 Jul 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow July 28 TASS—The Federation Council, Russia's upper house of parliament, met twice behind closed doors on Thursday to discuss the removal of council's Deputy Anatoliy Kopsov from the post of Bashkortostan's prime minister. The deputy's resignation can be accepted only with approval of the Federation Council.

Kopsov was relieved of his duties as Bashkir prime minister following unmasking reports in the mass media. He was accused of abuse of office when building and receiving comfortable housing, together with the republic's other top officials.

The upper house said in a resolution that "the Federation Council deputy was fired counter to Russian legislation". The Bashkir president, who had issued an order to sack Kopsov, was instructed to bring this order in line with the Federation Council's resolution.

The wording of the presidential order "on gross violations of the republic's laws by certain top officials" allows for rather an ambiguous interpretation. Thus, according to the order, the prime minister is relieved of his duties both for violation of the housing legislation and at his own request. Russian lawmakers believe Kopsov should have been dismissed for either of these reasons only.

Shumeyko Assesses Federation Council's Work

LD2807193894 Moscow Russian Television Network in Russian 1600 GMT 28 Jul 94

[Video report by A. Pishchayev; passages contained within quotation marks are recorded; from the "Vesti" newscast]

[Text] Speaking at a news conference today, Vladimir Shumeyko, chairman of the Federation Council spoke about the results of the Federation Council's work in the last six months.

[Shumeyko] "Are we ourselves—the deputies of the Federation Council—satisfied with our work? Most likely, not. While resolving some issues, we failed to give up populism and current political interests of some groups. There are numerous examples of certain laws being adopted or rejected on this ground."

Vladimir Shumeyko noted that the legislative process in the Federation Council is progressing normally. In the last six months the upper chamber discussed acute problems, among them introducing a state of emergency in conflict zones, appointing the Supreme Court judges, and many others. At the same time Vladimir Shumeyko said that not all the laws coming from the Duma are of high quality, especially those passed in a hurry before the recess. As a result they had to turn down the worst-prepared laws. In law making, it is quality and not quantity that is important, Shumeyko stressed. Not denying that there are many shortcomings in the Federation Council's work, nevertheless, he believes the making of the parliament's upper chamber had materialized.

Touching upon the issue of extending the parliament deputies' period in office, he confirmed that, in his view, the idea is correct. However...

[Shumeyko] "What my colleague, Ivan Petrovich is proposing, is in breach of the Constitution. No deputies have a right to decide themselves whether their period in office should be extended."

The issue, according to Shumeyko, could be decided at a referendum only. It is the right of the voters to assess the work of the deputies.

Duma Official Says No Privatization Edict Needed

LD2807192794 Moscow INTERFAX in English 1654 GMT 28 Jul 94

[Text] The post-voucher privatization program did not require a presidential decree to take effect, the chairman

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of the State Duma's Committee for Property, Privatization and Economic Activity Sergey Burkov told a news conference on Thursday.

Burkov said the program effected by the decree merely created "a legal space to continue privatization." At the same time the agreement preserved continuity in relation to the previous voucher privatization program.

Burkov said that the privatization program as it was described in the presidential decree could not be implemented to the full. In contrast to the law the decree cannot reduce benefits for the workers of privatized facilities, as was provided for by the draft program presented by the government.

The State Duma Committee chairman said that parliament would examine the privatization program once again and adopt it after a second reading.

Regional Affairs

Yeltsin Visit to Krasnoyarsk Continues

Says Plutonium Production Redundant

LD2807150994 Moscow ITAR-TASS World Service in Russian 1148 GMT 28 Jul 94

[By ITAR-TASS correspondents Lyudmila Aleksandrova and Yuriy Khots]

[Excerpt] Krasnoyarsk, 28 Jul—Before the end of September this year Russian President Boris Yeltsin will sign an edict on the future of the mining and chemical combine and the works for the processing of used nuclear fuel PT-2 in Krasnoyarsk-26, which is now under construction.

He said it to journalists today during his visit to this closed town of nuclear workers. The president visited a reactor works, where the last reactor for manufacturing arms plutonium is still operating, and examined the plant's first stage for the storage of fuel for the atomic power stations.

"The mining and chemical combine will live," the president said. While the remaining third reactor for the production of plutonium, he said, "will be definitely shut down." "We do not need any arms plutonium as it is not in our plans to build up nuclear weapons," Boris Yeltsin added.

However, it is not a simple matter to shut down a reactor, because it is providing two towns with fuel supplies, the president continued. In this connection, Boris Yeltsin said, the construction of the works for restoring used nuclear fuel, which has been frozen up to now, will be continued. A modern atomic power station will be constructed.

As Vyacheslav Savelyev, the director of the RT-2 works told journalists, it will take 12 years and nearly two trillion rubles to complete the project. The president agreed that the problem of Krasnoyarsk-26 "is very serious and expensive." It cannot be resolved in one year. The reactor is expected to be shut down not before the year 2000. However the main thing for people is certainty, confidence that they will not be made redundant and that they will have jobs, the president stressed. The president, as he said, had given residents of Krasnoyarsk-26 this certainty. [passage omitted]

Comments on 'Projects of Century'

LD2807191394 Moscow INTERFAX in English 1654 GMT 28 Jul 94

[Text] Sources close to the Russian president told Interfax that during his conversations with the leaders of the Krasnoyarsk territory Boris Yeltsin stressed the need to conclude the construction of the Kamsko-Achinskiy fuel and energy complex, the Boguchansk hydro electric power station, and the so-called "projects of the century" on the territory of this region.

Having noted that the above mentioned projects "have many drawbacks" Yeltsin advocated the continuation of federal investments because "tens of thousands of people are participating in the projects." According to Yeltsin, the government should resolve the financing problem by allocating funds from the federal budget and by granting extra funds "with a wide involvement of private domestic and foreign capital."

Departs Krasnoyarsk for Moscow

LD2907054894 Moscow ITAR-TASS in English 0544 GMT 29 Jul 94

[By unidentified ITAR-TASS correspondent]

[Text] Krasnoyarsk July 29 TASS—President Boris Yeltsin completed his three-day tour of the Siberian region of Krasnoyarsk and left for Moscow on Friday.

His trip resulted in important decisions concerning the closure of the chemical plant producing weapon-grade plutonium and its reorganisation.

The government was instructed to prepare the launching of production of a new combine-harvester at the local plant. Support was promised to cultural establishments of the region.

'Terrorists' Seize Bus in Mineralnyye Vody

LD2807143194 Moscow ITAR-TASS World Service in Russian 1351 GMT 28 Jul 94

[By ITAR-TASS correspondent Roman Zadunayskiy]

[Text] Moscow, 28 July—At 1600 today, four armed terrorists hijacked a bus with forty passengers. They are demanding a helicopter and $15 million.

At present, the bus with the hostages and the terrorists is at the bus station in the town of Mineralnyye Vody. An

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ITAR-TASS correspondent got this information from sources in law-enforcement bodies.

Stepashin To Help Free Hostages

LD2807184994 Moscow ITAR-TASS World Service in Russian 1632 GMT 28 Jul 94

[By ITAR-TASS correspondent Andrey Palariya]

[Text] Moscow, 28 Jul—Lieutenant General Sergey Stepashin, director of Russia's Federal Counterintelligence Service, urgently interrupted his vacation today and left by air for Mineralnyye Vody to coordinate operational measures with the Interior Ministry to free the hostages that were seized at about 1600 in the vicinity pf Pyatigorsk. ITAR-TASS has just been informed of this by the Russian Federal Counterintelligence Service.

3 Hostages Killed in Rescue Attempt

LD2907022694 Moscow ITAR-TASS World Service in Russian 0140 GMT 29 Jul 94

[By unidentified ITAR-TASS correspondent]

[Text] Moscow, 29 Jul—Three hostages have perished after a grenade exploded on a helicopter supplied at the demand of the terrorists.

According to a report from the operational headquarters for management of the operations to seize the terrorists, the events of this night developed in the following manner. As a result of talks between Stavropol Kray authorities and the bandits, by 0300 hours [Moscow or local time not indicated] on the morning of 29 July the bandits were still holding some 10 people hostage. At the demand of the terrorists, a helicopter was supplied and the terrorists went on board with several hostages.

At 0306 hours, when the aircraft was ready to take off, a special purpose detachment undertook the storming of the helicopter, during which one of the terrorists exploded a grenade. The resulting explosion killed three hostages as well as members the special purpose subunit. The terrorists were wounded.

All the terrorists—persons of Chechen nationality—have been captured. Four revolvers and five hand grenades were confiscated from them.

The procuracy of Stavropol Kray is conducting an investigation.

Hostage Rescue Operation Update

LD2907052094 Moscow ITAR-TASS in English 0455 GMT 29 Jul 94

[By ITAR-TASS correspondent Nikolay Styazhkin]

[Text] Mineralnyye Vody July 29 TASS—A total of nineteen people were wounded, four of them killed, overnight in a police operation to free the hostages who were seized on Thursday in southern Russia.

One of the terrorists exploded a grenade when special task force officers assaulted the helicopter given to hostage-takers.

The death toll includes four women—two of them were killed on the spot and two died on the way to hospital. The other wounded have been hospitalised in Mineralnyye Vody and the nearby city of Pyatigorsk.

There is no danger to the lives of those wounded, TASS was told on Friday by the health department of the Stavropol regional administration which described their wounds as of "medium seriousness".

The state of five commandos who were wounded in the operation also causes no concern.

Two of the seized terrorists were hospitalised in Mineralnyye Vody and doctors said one of them would hardly survive.

The other two terrorists were taken to Pyatigorsk.

Chechen Republic Takes Tough Line

LD2807195594 Moscow ITAR-TASS World Service in Russian 1741 GMT 28 Jul 94

[By ITAR-TASS correspondent Roman Zadunayskiy]

[Excerpt] Moscow, 28 Jul—If the terrorists who have seized a bus with passengers in Mineralnyye Vody today try to fly over the border into the territory of the Chechen Republic, and if Russian helicopters or any other transport vessels cross the border of Chechnya without a written warning and agreement, this will be treated as an act of violation of the state border of the republic and shoot to kill will be opened on them without warning. Usman Imayev, Chechen's procurator general, appointed by the republic's government as head of a coordinating group set up by Chechnya to render the terrorists harmless, officially warned the Russian authorities about this. The information was given to the ITAR-TASS correspondent by telephone from Groznyy by Shirvani Pashayev, aide to Chechnya's press and information minister. [passage omitted]

All 4 Hijackers Chechens

LD2907084194 Moscow ITAR-TASS World Service in Russian 0724 GMT 29 Jul 94

[By ITAR-TASS correspondent Nikolay Styazhkin]

[Text] Mineralnyye Vody (Stavropol kray), 29 Jul—One of the terrorists who seized a bus travelling from Pyatigorsk to Sovetskiy on Thursday in the North Caucasian town of Mineralnyye Vody has died. He sustained severe injuries last night when the helicopter he was in was stormed by special-purpose troops and he died in the Mineralnyye Vody city hospital. An ITAR-TASS correspondent has just been informed of this by the health care directorate of the Stavropol kray administration.

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The identity of the four criminals is being clarified. So far it has only been established that all of them are Chechens. The names of the four women killed during the storming of the helicopter are also being verified.

N. Ossetia Welcomes Extension of State of Emergency

LD2807184194 Moscow ITAR-TASS World Service in Russian 1015 GMT 28 Jul 94

[By ITAR-TASS correspondent Valeriy Shanayev]

[Summary] Vladikavkaz, 28 Jul—North Ossetian Prime Minister Georgiy Kozayev has commented on President Boris Yeltsin's edict extending the state of emergency existing in parts of North Ossetia and Ingushetia by two months, which was published today by North Ossetian newspapers.

Kozayev said that the decree was necessary for the time being and that Russian troops were the main guarantor of security in the region. The North Ossetian leadership insisted on the strict implementation of the edict both in North Ossetia and Ingushetia.

Kozayev also said that the leadership was ready to implement all Russian edicts and resolutions on refugees, to maintain a dialogue with the Ingushetian party, and solve all problems by peaceful means. But any accelerated return of refugees to their former homes might lead to a deterioration in the situation in the conflict zone.

Chechnya Accuses Federation of 'Misinformation'

LD2807130994 Moscow ITAR-TASS World Service in Russian 1110 GMT 28 Jul 94

[ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy, 28 Jul—The situation in Chechnya, from which extremely contradictory reports have been coming lately, remains owtwardly calm today. The state and economic structures in the republic are working in their normal routine. The oath-taking ceremony was held today for new conscripts in the Shalimskiy tank regiment. The young tank crew members swore on the Koran to be true protectors of the freedom and independence of their motherland.

Speaking on the local radio, Sultan Geliskhanov, head of the Chechnya state security department, called the reports on the situation in Chechnya that have recently been appearing in the Russian media a propaganda campaign that is the result of "machinations of the Russian special services, which are trying in this way to gain favor with the Russian highest leadership."

The republican newspapers, television, and radio accuse official Moscow of deliberate falsehoods and misinformation. The commentaries hint that preparation for ideological artillery to put possible forceful pressure on Chechnya is going on.

Chechnya on Noninterference in Internal Affairs

LD2807172894 Moscow INTERFAX in English 1339 GMT 28 Jul 94

[Text] Chechnya's Foreign Ministry declared that "if Russia's leadership is sincerely interested in bringing order in the Caucasus, as well as in Russia, it should give up the policy of interference into Chechnya's internal affairs."

The statement of the Chechen Foreign Ministry made public Thursday in Groznyy also says that statements and appeals like those voiced by Russia's presidential press secretary Vyacheslav Kostikov "are met in Chechnya as Russia's cruel interference into affairs of an independent republic and as a preparation for the next, the eighth, Russian genocide against the Chechen people."

According to the Foreign Ministry, Kostikov's message states that Boris Yeltsin has received many letters from Chechen citizens, with complaints concerning violations of human rights and requests to adopt appropriate measures and to bring order in the republic.

"It is necessary to start bringing order within Russia itself as rights of non-Russian citizens are constantly being violated here and the local authorities are waging a campaign of terror against the Caucasian peoples with the approval of the Russian leadership," the document empathizes.

Chechnya's Foreign Ministry believes that Russia's leadership "makes a serious political error counting on criminals and on the political homeless, who lost confidence of the Chechen people long ago, in its struggle against Chechnya's independence."

N. Caucasus Chief of Staff on Troops' Tasks

MM2807150794 Moscow KRASNAYA ZVEZDA in Russian 26 Jul 94 p 2

[Interview with General Lieutenant Vladimir Potapov, chief of staff of the North Caucasus Military District, by Lieutenant Colonel Nikolay Astashkin; date, place not given: "Lieutenant General Vladimir Potapov: "Combat Readiness Amid Regime of Economy"]

[Text] The North Caucasus Military District occupies a special place in the structure of the young Russian Army. Units being withdrawn from the near and far abroad are being stationed on its territory. How can the necessary level of combat readiness be maintained in the troops in these conditions? Our correspondent's conversation with Lieutenant General Vladimir Potapov, chief of the North Caucasus Military District Staff, began with that question.

[Potapov] Following the collapse of the USSR, when the second strategic echelon left for Russia's state border with Ukraine, Belorussia [Belarus], and the Baltic countries, the North Caucasus Military District changed from

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being a second-category to a first-category district. It was given border guard status. In 1993, the Russian Federation minister of defense and the Armed Forces General Staff reviewed the entire system of approaches todetermining the level of combat readiness, taking into consideration the realities prevailing in the country. The Russian Armed Forces, including our district, started to develop a new system of combat readiness, which primarily envisages a realistic approach to assessing the state of combat and mobilization readiness. Our district has started being renewed both quantitatively and qualitatively. The time-frame for a number of large units and units to achieve combat readiness has been reviewed, the alert duty system has been adjusted, and requirements for the organization of alert forces have been raised. This concerns not just the ground forces but also the air defense systems. Questions of cooperation among various kinds of commands and formations deployed on district territory have been raised to a new level. The commands and units capable of operating in emergency situations have been determined. A system of command and control of the manpower and resources on the district's territory is continuing to be created and improved over a period of two years. The system for manpower acquisition, training, and the accumulation of military training resources has been reviewed, based on the new tasks facing the district. In the final analysis, all this has helped the North Caucasus Military District command to maintain the level of combat readiness in the troops that is needed to deal with the problems facing the district.

[Astashkin] It is no secret that there is a shortage of junior officers in the North Caucasus Military District troops.

[Potapov] By and large, the strength level of the units and subunits in terms of commanders at platoon and company level ensures the required degree of combat readiness. At the same time, it must be noted that there is nevertheless a shortage of junior officers. As a result of this, the burden on commanders in the middle command level (battalion) is increased. That is one thing. Another thing is that the undermanning is forcing us to fill vacant posts with corporals or enlisted men serving on contract. But given the difficulties connected with funding the troops, contract recruitment has to be artificially restrained. On the other hand, the recruitment of servicemen on contract is not currently providing the necessary results in terms of strengthening military discipline and combat readiness. A lot of commanders who have tried to settle subunit-level manning problems by using contract servicemen have forgotten about the quality of the contingent being recruited. The basic principle here should be to take on, on contract, not those who want to be taken on but those who are needed by the district troops to maintain the necessary level of combat readiness, and primarily servicemen whose registered military specialities "work" toward combat readiness.

[Astashkin] You mentioned difficulties with funding from the center. How is this reflected in the combat readiness of the district's units and commands?

[Potapov] In a most direct way. Interruptions in funding create difficulties in continuing to improve the command and control system and raising the intensity of combat readiness, and so on. At the same time, despite this, the rearming of a number of our military units with new types of equipment is in full swing in the district.

[Astashkin] One of the central tasks facing the district troops today is economizing on material and financial resources.

[Potapov] To ensure that readers do not get the mistaken idea that, because of difficulties with financing, combat training exercises are not being conducted in the North Caucasus Military District, it must be said that the combat training program for the 1994 winter training period has been fully carried out. All the planned measures have been fully carried out, including command and staff exercises, command and staff drill, and tactical exercises with and without live firing, at all levels. Of course, we are experiencing certain difficulties, but today the skill of the commanders, and this includes staff commanders, is proving able to strengthen combat readiness amid a regime of the strictest economy of material resources, improving the combat teamwork and coordination of the small subunits first and foremost. In this respect the experience of World War II is very instructive. Hence the conclusion: Well-trained sections and platoons predetermine the foundations on which the combat readiness of the bigger subunits and units is based. In our combat training, therefore, we try to place the emphasis on achieving teamwork and coordination in the small subunits in particular, though naturally without losing sight of the training of command and control organs, communications subunits, air defense, and the engineering troops. All this together allows us to hope that the tasks facing the district troops will be carried out.

[Astashkin] The personnel of a number of the district's units and subunits are not just resolving tasks aimed at maintaining combat readiness but are also carrying out a peacekeeping mission in the state of emergency zone on the territory of North Ossetia and Ingushetia. What qualities does service in a "trouble spot" foster in people?

[Potapov] The actual moral and psychological situation in a "trouble spot" cannot fail to have an influence on the level of combat readiness. How is this expressed? First of all, the subunits which carry out tasks to ensure the state of emergency regime are fully up to strength and are well-trained. Servicemen on the draft are only sent to this area on completion of a six-month training period in training subunits. Second, a healthy moral and psychological mood among the personnel, readiness to take part in actions to protect citizens' lives and security, a pretty

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high level of psychological tempering, reliable equipment and weapons and constant maintenance of them—this, you will agree, is directly connected with combat readiness. Furthermore, the personnel of the subunits and units located in the state of emergency zone acquire skills not only in the professional respect—so to speak, the military respect—but also in the diplomatic respect. Because officers, warrant officers, enlisted men, and NCO's find themselves in direct or indirect contact with the people living there. To my mind, local inhabitants in both republics see the Russian servicemen as the guarantors of peace and stability in the region.

[Astashkin] A last question, Vladimir Yakovlevich: There are two other districts on the territory of the North Caucasus Military District—the North Caucasus Internal Troops District and the Caucasus Special Border Guard District. What points of contact are there with these districts in carrying out the set tasks?

[Potapov] We are working with the command of both districts in closest contact both at the level of cooperation in carrying out tasks with an operational purpose and in day to day life. We are pretty well aware not only of the tasks entrusted to the personnel of those districts but also of the tasks of those structures' leaderships. Correspondingly, they know about our tasks. So there is full mutual understanding. It could not be otherwise: After all, servicemen of the North Caucasus district, servicemen in the internal troops, and the border guards are essentially carrying out one main task—ensuring the security of Russia's southern borders.

Arms Depots in Biysk To Be Mined To Deter Pilfering

MK2907070794 Moscow SEGODNYA in Russian 29 Jul 94 p 1

[INTERFAX report: "Siberian Military District Intends to Mine Military Depots in Biysk"]

[Text] Before 1 August, the army's weapons and ammunition depots in Biysk will be mined. An order to this effect has been given by General Viktor Krylov, commander of the Siberian Military District. The mining was prompted by the discovery of facts of repeated stealing from the depots. All in all, 520 combat grenades and 136 crates with cartridges of various calibers were stolen. According to a theory advanced by the military prosecutor's office, servicemen who guard the facilities may have been involved in the thefts.

Deputy Defense Minister Visits Siberian MD Missile Unit

MM2807103394 Moscow KRASNAYA ZVEZDA in Russian 28 Jul 94 p 1

[Report by Aleksandr Veklich: "Andrey Kokoshin Meets Siberian Missilemen"]

[Text] On 27 July Andrey Kokoshin, Russian first deputy minister of defense, and Colonel General Viktor Kopylov, commander of the Siberian Military District, visited a Krasnoyarsk Garrison troop unit commanded by Colonel Nikolay Sigeda.

Andrey Kokoshin attended special training drills, inspected combat hardware in the depots, and analyzed its status. During a meeting with unit personnel Russia's first deputy defense minister inquired about servicemen's problems with housing, pay, and the provision of commodities.

Far East Arms Plants Among 'Highest Priorities'

MM2907121994 Moscow KRASNAYA ZVEZDA in Russian 29 Jul 94 p 1

[Report by Aleksandr Yegorov: "Andrey Kokoshin Visits Defense Enterprises and Siberian Military District Units"]

[Text] Russia's first deputy defense minister invited Russian acting finance minister Sergey Dubinin to visit a Strategic Rocket Forces combined formation armed with rail-mobile missile launchers. The "chief financier" had an opportunity to see for himself that the money earmarked for defense is being spent sensibly.

Andrey Kokoshin paid particular attention during the visit to the Krasnoyarsk Machine-Building Plant, the applied mechanics science-and-production association, and the "Iskra" Joint-Stock Company.

"Krasmash" is the leading manufacturer of the atomic submarine fleet's ballistic missiles, space craft booster units, and a wide range of civilian output. The mechanics science-and-production association manufactures defense and civilian satellites. These are enterprises with a high technological level, the Russian first deputy defense minister said. They are among our highest priorities, therefore despite the highly acute financial problems the Defense Ministry is doing everything it can to ensure that they survive and develop.

On his return to Moscow A. Kokoshin made a stopover in Yekaterinburg, where he held a meeting with the leadership of the Urals Military District.

Pacific Fleet Recruitment Up, Quality Down

MM2907112194 Moscow KRASNAYA ZVEZDA in Russian 27 Jul 94 p 2

[Report by Captain Second Rank Nikolay Litkovets, Lieutenant Colonel Vitaliy Ankov under "Draft-94" rubric: "Question Marks Over Sailors"]

[Text] Previously the spring draft dragged on for several months. The Pacific Fleet has now received 95 percent of its draft contingent. Trains from all over Russia are arriving at Vladivostok at intervals of three to four days, and each one is carrying at least 1,000 young men. The working day of officers of the admissions and medical

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board ends close to midnight: Every medical officer is admitting up to 600 draftees instead of the prescribed 30. For the first time the manpower acquisition and combined-arms training plan envisaged that the training would be carried out in subunits of the fleet training network, but it is not in a position to accommodate the draftees: There is not enough food, beds, or bedding. Only the intervention of the acting fleet commander and fleet chief of staff has made it possible to change the situation.

The lack of accommodations for medical personnel is forcing several of them to huddle together in every room. This is adversely affecting the expert assessment of draftees' state of health. Which is not too good among the young people. Over 500 have a body weight deficiency—sometimes of up to 20 kg or more, around 300 have been put in the fleet's medical establishments, nine have been rejected, some draftees have illnesses, and one-third of them are fit only to serve ashore and then with various restrictions.

The young men's general educational standard is declining every year: Sixty-eight percent have secondary education (78 percent in 1991), and several individuals were limited to five years. Eighteen percent were brought up in one-parent families, and only 28 percent of the newcomers have expressed a wish to serve on board ships. Thirty draftees have already run away from naval shore units, and the same number jumped trains en route.

The fleet has received the minimum number and quality of draftees to ensure the more or less normal vital activity of units and subunits. Is that sufficient for the fleet?

Khabarovsk Communists Warn of Unrest

MM2807140594 Moscow PRAVDA in Russian 27 Jul 94 p 3

[Report by Gennadiy Svobodin: "Strike Policy"]

[Text] The Khabarovsk Russian Federation Communist Party Kray Committee Bureau has adopted a decision "On Staging Mass Protest Actions and Starting Preparations for a General Political Strike." It says inter alia that the general crisis in Russia, including Khabarovsk Kray, continues to deepen. The ruling circles are trying to take the heat out of popular discontent by talk about some mythical stabilization, local bribes, and other methods. However, the rate of decline in the country's industrial production increased sharply in the first half-year. Practically all the kray's plants and factories are working an incomplete week, have sent personnel on enforced leave, or have shut down altogether. Wages have not been paid for months. The kray's agriculture is in a disastrous state.

Home-produced food is disappearing from the store shelves. The kray budget is showing an unprecedented deficit. The working people's real living standards have fallen by an average of 2.6 times across the kray compared with 1990, and there is no end in sight to this decline.

In the summer period the population has been distracted into providing for itself from dacha plots. The loss or further sharp reduction of income as a result of stoppages at their main work places will, however, inevitably cause an exacerbation of mass dissatisfaction among the broad strata. The Communists believe that the only way out of the systemic crisis is a change in the government's policy of capitalistizing the economy and, as a condition of this, the replacement of the Yeltsin regime and the formation of a government of people's confidence.

Mass actions by the working people in defense of their rights and interests are needed. Events could unfold spontaneously, however. The Communists therefore have no right to stand aside from this movement.

Mass protest actions will begin in the kray at the start of September.

Moscow Militia Close 41 Change Bureaus

MM2807120594 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 28 Jul 94 p 2

[INTERFAX report: "Forty-One Bureaux de Change Closed in Moscow"]

[Text] Last week staffers from Moscow internal affairs organs checked out 413 change bureaus. Forty-one of them have been closed down. The main reason for the closure is the lack of bank licenses, it was announced yesterday at a Moscow Internal Affairs Main Administration briefing.

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International Affairs

FRY's Kontic—Sanctions 'Serve War, Not Peace'

AU2807165694 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 28 Jul 94

[Statement by FRY Prime Minister Radoje Kontic following talks with Ukrainian Prime Minister Vitaliy Masol in Kiev on 28 July—recorded]

[Text] I would say that our talks were open and constructive, and friendly, just as we had expected them to be. We agreed that it would be necessary to conclude some 10 agreements to regulate cooperation in the most important economic spheres.

The other group of issues was connected to the Yugoslav crisis, with particular emphasis on the crisis in Bosnia-Herzegovina and the sanctions against the FRY. I hope I am not wrong when I say that we agreed that it was necessary to solve the crisis in Bosnia-Herzegovina through political means and not through any kinds of threats, pressures, and ultimatums, and particularly not through military intervention.

As for the sanctions against the FRY, I think that we agreed that there are no legal, humanitarian, moral, or political grounds any more to keep the sanctions imposed against the FRY. In fact, the sanctions serve war not peace.

Says Yeltsin's Initiatives Not 'New'

LD2807180494 Moscow INTERFAX in English 1654 GMT 28 Jul 94

[Text] Yugoslav Prime Minister Kontic on a visit to Ukraine said that Boris Yeltsin's new initiatives with respect to the Bosnian conflict cannot be called new.

Commenting Russia's last peace initiative, Kontic said that "they are aimed at converging the approaches of all participants of the contact group." This group recently held a sitting in Moscow.

At the same time Kontic underlined that he always highly appreciated the efforts of Russia and of President Yeltsin himself aimed at a settlement. Kontic said that this position meets the interests of all parties to a maximum extent.

Kiev Interested in Economic Cooperation With FRY

LD2807174794 Belgrade TANJUG in English 1559 GMT 28 Jul 94

["Pool" item]

[Text] Kiev, 28 July (TANJUG)—Ukraine is vitally interested in developing economic cooperation with Yugoslavia, Prime Minister Vitaliy Masol said after initial talks with visiting Yugoslav Prime Minister Radoje Kontic.

Masol and Kontic told reporters they had agreed to prepare some ten cooperation agreement for key economic sectors which would take effect immediately after the lifting or easing of the United Nations sanctions against Yugoslavia.

Masol said Ukraine and Yugoslavia would restore economic cooperation after the lifting of the embargo and added that Ukraine was also affected by the current regime of sanctions.

Ukraine has sustained a direct loss of about four billion dollars and it is in its interest that the sanctions be lifted, said Masol.

Kontic said the two countries had agreed to ensure normative an institutional prerequisites for future economic cooperation.

The talks focused on the crisis in the territory of former Yugoslavia, especially in Bosnia-Herzegovina, Kontic said.

"We agreed that it is necessary to settle the Bosnian crisis by peaceful, political means and not by pressures, threats, ultimatums, and most certainly not by a military intervention," he said.

The Yugoslav prime minister said there were no longer any legal, moral or political grounds for maintaining the sanctions against Yugoslavia. Any prolongation of the regime of sanctions would be conducive to war and not to peace, he said and added that the sanctions would be a threat to stability of the entire region.

The UN Security Council in May 1992 imposed comprehensive sanctions against the Yugoslav Federation of Serbia and Montenegro because of alleged involvement in the civil war in the neighboring former Yugoslav Republic of Bosnia-Herzegovina.

The Yugoslav Government delegation began its two-day visit to Ukraine at Masol's invitation on Wednesday [27 July].

Masol-Kontic Discuss Economy

LD2807164094 Belgrade TANJUG Domestic Service in Serbo-Croatian 1245 GMT 28 Jul 94

[Text] Kiev, 28 Jul (TANJUG)—Ukraine is vitally interested in the development of economic relations with Yugoslavia, Ukrainian Prime Minister Vitaliy Masol said today following the first round of talks with Yugoslav Prime Minister Radoje Kontic.

The prime ministers of Ukraine and Yugoslavia agreed to prepare 12 agreements on cooperation in the most important sectors of the economy. The agreements will come into effect immediately after the lifting or easing of the sanctions against the Federal Republic of Yugoslavia [FRY].

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This is the result of the first official meeting between the two prime ministers held in the Ukrainian Government building in Kiev today.

The Yugoslav Government delegation arrived in Kiev yesterday for a two-day visit to Ukraine at the invitation of Prime Minister Masol.

Vitaliy Masol said that Ukraine and Yugoslavia would establish normal economic relations after the lifting of the embargo because, as he said, the sanctions against the FRY are damaging both Ukraine and Yugoslavia. Due to the sanctions, Ukraine has suffered a direct economic loss of about $4 billion, Masol said.

The two prime ministers said in brief statements today that the talks were frank, constructive, and friendly. It was established that economic cooperation is at a low level, but that there are conditions for a considerable improvement after the lifting of the sanctions.

Federal Prime Minister Radoje Kontic said that an agreement was reached to form legal and institutional preconditions for economic cooperation.

"We agree that it would be necessary to draw up 12 agreements to regulate cooperation in the most important sectors of the economy," Kontic said. Kontic said that during the talks attention was focussed on the crisis in the territory of the former Yugoslavia, especially the former Bosnia-Herzegovina, as well as the sanctions against the FRY.

"We agree that the crisis in Bosnia-Herzegovina must be solved by peaceful political means, not through pressures, threats or ultimatums, and especially not through military intervention," Kontic stressed.

He stressed that "legal, moral or political grounds for the sanctions against Yugoslavia no longer exist. Any prolongation of the sanctions serves the purposes of the war, not peace, and threatens the stability of the entire region," Kontic warned.

"The talks were fruitful," Masol told journalists. He added that contacts between the two countries' ministries and firms had been discussed.

The Ukrainian prime minister stressed that Ukraine is vitally interested in the development of economic relations with the FRY.

"We have incurred a $4 billion loss due to the sanctions, and that is why we are interested in seeing them lifted soon," Masol stressed.

According to him, there should be some easing of the sanctions in the near future.

Ukraine believes that all problems should be solved by peaceful means only because the sanctions have failed to serve their purpose, the Ukrainian prime minister said.

Looks Forward to Bilateral Relations

AU2807163094 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 28 Jul 94

[Statement by Ukrainian Prime Minister Vitaliy Masol following talks with FRY Prime Minister Radoje Kontic in Kiev on 28 July—recorded; Masol's statement in Russian, fading into Serbo-Croatian translation]

[Text] Ukraine and Yugoslavia should establish bilateral relations in the spheres of economics and culture, and prepare adequate documents that will be implemented once the sanctions are lifted. The talks were fruitful. The talks concerned the contacts between ministries and companies. The Ukraine cannot live without economic relations with FRY. Some of the sanctions can be lifted very soon. The Ukraine can see only a peaceful solution to all the problems, since the sanctions have not achieved the aim for which they were imposed.

Zlenko Comments on Yugoslav Relations

LD2807192594 Moscow INTERFAX in English 1829 GMT 28 Jul 94

[Text] Ukraine is for the strict observance of the U.N. sanctions against Yugoslavia, but thinks that they might be softened, particularly concerning food and medicines supplies, Ukrainian Foreign Minister Anatoliy Zlenko told journalists after talks with Prime Minister of the Union Republic of Yugoslavia Radoje Kontic in Kiev on 28 July.

Asked about the possibility of settling the Bosnian conflict, Zlenko expressed the hope that new tactics would help attain a compromise, which would facilitate the settlement.

Speaking about the possibility of establishing diplomatic relations between Ukraine and Yugoslavia, he said that Ukraine was guided by the U.N. security Council's resolutions. "We will gradually advance towards a solution," he said.

Kontic arrived in Ukraine for a three-day official visit which will end on 29 July.

Moroz Delays U.S. Visit; Kuchma To Accept Invitation

LD2807161394 Moscow ITAR-TASS in English 1446 GMT 28 Jul 94

[Report by ITAR-TASS correspondent Mikhail Melnik]

[Text] Kiev 28 July TASS—The trip of Oleksandr Moroz, speaker of the Ukrainian parliament, to the United States has been delayed from 29 July to a later time. The parliamentary chairman told TASS on Thursday that the parliament was particularly busy now, and that developments in the Supreme Soviet made his presence especially desirable.

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However, newly-elected Ukrainian President Leonid Kuchma has plans for an official visit to the U.S. in August. According to reliable sources, American Vice-President Albert Gore, who is due to arrive in Kiev 2 August, will give the Ukrainian president an official invitation from Bill Clinton to make a trip to the White House. Leonid Kuchma is ready to accept such an invitation, the source said.

Moroz on Moscow Trip, Kuchma Edict

LD2807164594 Kiev UNIAR in Ukrainian 1435 GMT 28 Jul 94

[Text] Kiev, 28 Jul—Supreme Council Chairman Oleksandr Moroz held a news conference at Ukraine's Parliament on the results of the working visit by the Ukrainian parliamentary delegation to Moscow. Moroz said that negotiators in Moscow focused their attention on economic problems and the role of the parliaments in establishing relations between Ukraine and Russia within the CIS. One of the first results of the talks was the decision to set up a special directorate at Ukraine's Ministry of Finance to supervise Ukraine's foreign debt payment. The sides agreed that Ukraine would continue to pay for Russian fuel by building houses in and supplying goods to Russia.

With regard to the trilateral statement of 14 January this year on nuclear arms, Russia pledged to honor the provisions of the document to the full extent.

The joint Russian-Ukrainian communique on the results of the negotiations says that, during the discussion of economic cooperation, the sides paid special attention to the problem of developing free trade by reconciling legislation on tariffs, customs, finance, tax, investment, and trade with a view to create customs and currency unions in the future. There was an in-depth discussion on facilitating cross-border, coastal, and interregional trade.

Crimea and Sevastopol were not discussed at the talks. The sides agreed that Crimea was Ukraine's internal problem and had to be resolved on the basis of the Ukrainian Constitution. Moroz said that the current situation in Crimea had not been triggered by solely political factors, but also by Crimea becoming the center of confrontation between criminal gangs. However, the Supreme Council chairman denounced the Ukrainian president's edict of 21 July "On Urgent Measures To Step Up the Fight Against Crime" as improper interference into legislation. Another Kuchma move, to defer the debate on the law on local councils for a month, was, according to Moroz, an act of infringement on the legislative process.

Joining Parliamentary Assembly Possible

LD2807202994 Moscow ITAR-TASS in English 1918 GMT 28 Jul 94

[Report by ITAR-TASS correspondent Mikhail Melnik] [Text] Kiev 28 July TASS—Oleksandr Moroz, chairman of the Ukrainian Supreme Soviet, rejected certain press reports, alleging that talks between the parliamentary delegations of Ukraine and Russia were held under the Russian side's order.

"We found full mutual understanding on all priniciple questions. The talks were held in a quite proper manner. The head of the Russian Government, Viktor Chernomyrdin, was worried over Ukraine's problems, as if they were Russia's own, the speaker of the Ukrainian Parliament said today at a press conference."

Oleksandr Moroz said that bilateral relations between Ukraine and Russia will develop on the basis of an equal strategic partnership in all main spheres of both states' vital activities. According to him, both sides intend to make CIS institutions more efficient.

The Supreme Soviet chairman regards that such parliamentary meetings are extremely necessary, and they will be broadened and deepened. They are especially needed to support each other on the international scene. Oleksandr Moroz did not rule out the possibility of Ukraine joining the interpaliamentary assembly.

Defense Minister's Ankara Trip Seen as Attempt to Keep Job

MK2807105494 Moscow SEGODNYA in Russian 28 Jul 94 p 5

[Report by Yuriy Selivanov from Odessa under the "Visit" rubric: "Will Vitaliy Radetskiy Please Leonid Kuchma? Ukrainian Defense Minister's Turkish Trip May Cause Tension in Russian-Ukrainian Relations"]

[Text] A Ukrainian military mission under Defense Minister Vitaliy Radetskiy has arrived in Ankara. Its agenda features meetings with Turkish political and military leaders and visits to a number of military facilities.

According to reports from knowledgeable sources, during the visit Vitaliy Radetskiy expects to arouse Turkey's interest in the prospects for importing weapons and military hardware from Ukraine. Ankara, which has lately encountered difficulties in procuring arms from its traditional sources (the United States and Germany are displeased with the fact that the Turkish Army uses them to fight Kurdish rebels), is showing its readiness to consider alternative options.

The Turks have been paying particularly close attention to military-technical cooperation with Russia, which is not inclined to attach any political conditions to it and is ready to immediately start deliveries of large weapons consignments. The Turkish Army has already received Russian helicopters and armored personnel vehicles, a major part of which has been sent to the country's eastern areas, where combat operations against the Kurds are under way. Russian Deputy Prime Minister Oleg Soskovets' recent stay in Ankara culminated in the

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signing of new military agreements that call for a considerable increase in the amount and range of Russian military exports. Without doubt, this activity by Russia gives rise to a certain concern in Kiev, which would not mind cashing in on the sale of its own excess weapons to Turkey. In that regard, the current visit by a Ukrainian minister appears to be an attempt, albeit a somewhat belated one, to recapture a share of the Turkish arms market from Russia.

In the view of observers, apart from that evident objective, Vitaliy Radetskiy's trip also has an important internal political bottomline. In the past few days, the possible replacement of the defense ministry chief has been a matter of vivid discussion in Kiev. Even possible candidates for the post have been named. They include: Colonel General Oleynik, deputy defense minister; Colonel General Shkidchenko, commander of the Odessa Military District; and Colonel General Anatoliy Lopata, chief of the General Staff of the Ukrainian Armed Forces.

Vitaliy Radetskiy, who showed himself to be an open supporter of Leonid Kravchuk during the recent presidential elections (under his direct instructions, purposeful campaigning for that candidate was carried out among the troops), can hardly count on the newly-elected Ukrainian president's particular favor. For that very reason, it is particularly important for him to seize even the slightest chances to score as many "points" in Leonid Kuchma's eyes as possible before a definitive decision on his fate is made.

Given that, his current trip to Turkey appears fairly well-timed. For the new president has repeatedly said that he sees arms exports as one of the most important areas of his administration's economic activity. Today, the first Congress of Ukrainian Industrialists is opening in Kiev, at which Leonid Kuchma is expected to unveil a specific program for enhancing the defense sector's export potential. Apparently, the efforts of Vitaliy Radetskiy—who was one of the first to sense the changing winds and has rushed to "open a window" on Turkey for Ukrainian military exports—can be estimated in Kiev at their true worth.

Doubts linger, however, as to how much Vitaliy Radetskiy has pleased Leonid Kuchma on that particular occasion. It is well known that the latter stands for stepping up arms trade on the basis of wide-ranging and mutually advantageous cooperation with the Russian military-industrial sector. At the same time, Vitaliy Radetskiy's Turkish visit is reminiscent rather of a flanking maneuver that may well result in a clash between Russian and Ukrainian export interests in Turkey. Otherwise, it is hard to account for the fact that the Ukrainian defense minister arrived in Ankara as soon as Oleg Soskovets, who stayed there for similar purposes, left the Turkish capital.

National Affairs

Kuchma's Possible Dismissal of Defense Minister Seen

MM2807135394 Moscow KRASNAYA ZVEZDA in Russian 28 Jul 94 p 3

[Report by Anatoliy Polyakov: "Leonid Kuchma Forms Team of Confederates. Changes Expected in Power Ministries"]

[Text] During the election campaign Leonid Kuchma repeatedly said that he would first set about restoring order and discipline and tackling the economy—extricating Ukraine from crisis.

The first edict he has signed is designed to fight crime. In two days alone during real combat operations against criminals law-enforcement organs uncovered 3,400 crimes, including 82 homicides, and confiscated 240 vehicles, many weapons, and drugs from the criminals.

Leonid Kuchma met with prominent economists without delay. He is now inviting leaders of the oblast councils to Kiev to discuss urgent problems of improving the life of the population. However, he himself realizes that a radical breakthrough cannot be achieved in a matter of weeks or months, and he therefore, when visiting Dnepropetrovsk to mark the 50th anniversary of "Yuzhmash," warned of a difficult fall and a hard winter. People are prepared for another rise in prices.

By decision of the Supreme Council, privatization has been suspended in Ukraine. According to [Supreme Council Chairman] Oleksandr Moroz, this has been done in order to stop the pillaging of the state and implement reforms in the interests of the working person. Whereupon the national-democrats said that Western investors will freeze their hard-currency injections into the Ukrainian economy owing to the suspension of privatization. But that is not the case. IMF Managing Director Michel Camdessus is in Kiev on a two-day visit, and during a meeting with the heads of diplomatic missions Leonid Kuchma said: "I advise you not to seek and not to fear extraordinary surprises" in foreign policy. Whereupon he described Russia as our "greatest and highest-priority neighbor."

To give a brief definition of the top leadership, they can be said to be business people and, most importantly, of like mind.

Leonid Kuchma is only just picking his team. He has appointed his press secretary, the 30-year-old historian Dmytro Tabachnik, to head the presidential administration. On the other hand he promptly sacked Interior Minister Andriy Vasylyshyn and appointed Lieutenant General Vladimir Radchenko, deputy chairman of the Ukrainian Security Council, in his place.

Defense Minister Vitaliy Radetskyy is perhaps in the trickiest position now. Although he has constantly

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claimed that the Army should be outside politics, during the election campaign he himself unequivocally backed the president, and military newspapers were awash with calls to vote for Leonid Kravchuk. In this connection the local press has gone through the whole Defense Ministry leadership proposing various candidacies for the post of defense minister. Some have even noted the following insignificant point: Kuchma did not extend his hand to Radetskyy when the president was greeted in Dnepropetrovsk. The defense minister is acting as though nothing is happening. He set off for Turkey Tuesday at the head of a Ukrainian military delegation. Time will tell whether this visit will be his last trip abroad. In a couple of days the parliament will be breaking up for the recess. So the defense minister issue will probably not arise until September, since his candidacy must be approved by parliament.

Justice Ministry Denies Rumors

LD2907090294 Kiev UNIAR in Ukrainian 2100 GMT 28 Jul 94

[Text] Kiev, 28 Jul—Ukraine's Justice Ministry has denied a UNIAN report which predicted, quoting "reliable sources," that Justice Minister Vasyl Onopenko is likely to be replaced with a person from the Ukrainian president's immediate circle. The ministry declared that Justice Minister Onopenko is continuing to work on implementing legal reform, establishing the legal foundation for socioeconomic transformations, and on other state objectives.

Supporters Criticize Kuchma's Anticrime Edict

MM2807131594 Moscow IZVESTIYA in Russian 28 Jul 94 p 2

[Report by Oleg Zadoyanchuk and Vladimir Ivakhnenko of UNIAN especially for IZVESTIYA: "Leonid Kuchma Goes on the Offensive and Comes Under Fire From His Supporters"]

[Text] Kiev—Just as two years ago, during his time as prime minister, Leonid Kuchma, who is now president, began implementing what is probably his main election slogan: combating crime. In 1992 the prime minister's intentions produced no tangible results. The "oil kings"—the leaders of oil refineries who were removed from their posts for reexporting energy sources—were soon reinstated, creating for Leonid Kuchma the image of a fighter for justice who by the will of fate had found himself in big-league politics but who never accepted the rules of the game.

One of the first documents adopted by the Ukrainian president has been an edict "On Urgent Measures To Step Up the Fight Against Crime." Though this edict was expected, its signing has evoked a mixed reaction in society. Thus Serhiy Holovatyy, a well known lawyer and representative of the "Reform" deputies' group, is sure that the preventive detention of inidividuals for up to 30 days, the unsanctioned searches in hostels and hotels, and many other measures envisaged by this document blatantly violate not only the Ukrainian Constitution but also international pacts on civil liberties. At the same time the payment of 50 percent of the confiscated sums to organs of law and order will obviously bring about an unprecedented increase in violations on their part. Volodymyr Malynkovych, the dissident and champion of human rights, also does not rule out the possibility that the edict will tend to increase arbitrariness by investigative organs. In his opinion, Leonid Kuchma did not make enough of a study of the methods used by "punitive" organs before granting them such sweeping powers. The recent appointment of Volodymyr Radchenko as acting Ukrainian minister of internal affairs should also be seen in this context, Malynkovych believes. Because as a KGB captain in the late seventies Radchenko distinguished himself in the field of combating "renegades," and, according to certain information, even stooped to beatings, thereby earning himelf a certain fame in the pages of the "Chronicle of Current Events."

Critics of the presidential edict accuse Leonid Kuchma and his team of unprofessionally copying the analogous document issued by Russian Federation President Boris Yeltsin, while noting that the status and powers of the heads of the two states are rather different. They also note that, though he has proclaimed the dictatorship of law, Kuchma violated the fundamental law two days after his inauguration. In observers' view, the critical assessment of the president's first steps by his closest comrades in the election campaign like, in particular, Volodymyr Malynkovych and Volodymyr Sumin, chairman of the Ukrainian Union of Jurists, indicates serious contradictions within the president's team.

Kuchma Tells Government To Draft Economic Reform

LD2807194394 Moscow INTERFAX in English 1654 GMT 28 Jul 94

[Text] Ukrainian President Leonid Kuchma signed a resolution Thursday [28 July] instructing the government to draft laws on economic reform.

The Cabinet of Ministers, the National Bank, the State Property Fund, and the Anti-Monopoly Committee are commissioned to prepare a draft decree on currency regulation and debt payment by enterprises by means of promissory notes. The draft is to be submitted to the president by 5 August.

Bills on the protection of Ukraine's domestic market and the regulation of customs control, on the issuance of bonds, on the taxation of enterprises, on the discount rate of the National Bank of Ukraine and on the reform of the budget system are to be prepared in the period from 10 August through 20 September.

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The bill on currency regulation should provide for the resumption of trade at the Ukrainian Interbank Currency Exchange and the gradual convergence of the market and official exchange rates of the karbovanets with foreign currencies. Trading at the Ukrainian Interbank Currency Exchange was suspended in November 1993. It was resumed this spring but only with respect to the Belarusian ruble.

National Product, Income Figures Compared With 1993

WS2807143194 Kiev UKRINFORM in English 1215 GMT 28 Jul 94

[From the "Business News Weekly" feature No. 30, 18-24 July 94]

[Text] Changes in Ukraine's gross national product [GNP] and national income in the January-June period of 1994, as compared with the respective period of 1993, are presented in the table below.

(in per cent; in comparable prices)

	GNP		Material expenditures		National income	
	Jan-May	Jan-Jun	Jan-May	Jan-Jun	Jan-May	Jan-Jun
National economy, total	66.8	70.7	67.0	70.2	66.4	71.5 Including
Industry	61.8	64.0	61.9	64.3	61.6	83.2
Agriculture	93.7	96.2	97.0	94.3	92.2	92.6
Construction	56.9	83.8	58.0	86.6	56.2	81.9
Transport and communication	80.9	86.7	84.7	88.1	78.8	86.0
Circulation sphere	59.2	74.6	74.6	75.2	55.4	60.5

Masol Presents Budget Report to Parliament

LD2807222894 Kiev UNIAN in Ukrainian 1830 GMT 28 Jul 94

[Text] Kiev [no date as received]—Reporting to today's parliamentary sitting on the activity and intentions of the government, Prime Minister Vitaliy Masol announced that the state budget for the second half of 1994, to be submitted for the Supreme Council's consideration, has a 20 percent deficit. He also said that the government is taking steps to stimulate production and that changes to the taxation policy, planned for 1995, include its liberalization, bringing in a tax on profits instead of an income tax, improving the system of currency regulation, and providing specific support for separate industries and enterprises whose products have an essential effect on economic development and are in demand. In order for all this to be implemented, Vitaliy Masol underlined, a clear managerial vertical of executive power should be erected and the Cabinet of Ministers' functions and powers defined.

The prime minister told parliament about his intention to introduce strict control over the use of money credits under the following procedure: The National Bank will present to the government data on the quarterly volumes of credits and the government will then decide on priorities by purposeful allocations.

On the subject of the situation in the coal mining industry, Vitaliy Masol pointed out that there is not enough coal: It is expected that 104 million and not 115 million tonnes of coal will be extracted by the end of 1994. At present, power engineering is short of 5-6 million tonnes to ensure its normal operation. A situation may arise, the prime minister said, where any further decline in the volumes of coal production will make it more profitable to purchase it from abroad rather than recovering it ourselves.

As for the currency exchange rate, Vitaliy Masol upheld the conclusion by Ukraine's Finance Minister Petro Hermanchuk that "any transition to purely free-market methods of setting foreign currency exchange rates under the current economic circumstances is impossible and even dangerous.' "What should be worked out at present is a mechanism of a regulated exchange rate taking account of its correspondence with the interests of not only the exporters, but also those importing the products that are of vital importance to Ukraine," the prime minister said, adding that he favors the regulated and free-market exchange rates gradually moving closer and conditions for a single rate to be set being created.

Parliament Disbands 'Krym' State TV, Radio Company

LD2807202194 Kiev UNIAN in Ukrainian 1435 GMT 28 Jul 94

[Text] Simferopol [no date as received]—At today's morning session, Crimean parliamentarians discussed matters relating to television and, in particular, to the work of the "Krym" television and radio company. Most deputies voiced their disappointment with the activity of the company, saying that unorthodox opinions in Crimea are impermissible and suggesting that all journalists disseminating pro-Ukrainian sentiments and thus "doing harm to the statehood of the Crimean Republic," should be summarily dismissed. Some deputies went even further, proposing that all those journalists should immediately be arrested. Appeals by representatives of the Kurultay and "Respublika" groupings for maintaining the pluralism of views on televison remained unheard.

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It was decided that a six-member republican television and radio broadcasting council should be formed, to be approved following coordination of the matter with Crimea's president and Supreme Council chairman.

Deputies passed a resolution disbanding the "Krym" state television and radio company. The government was instructed to approach the Cabinet of Ministers of Ukraine and negotiate the transfer of the company's property to the republic's ownership. It was also decided that a television and radio company to be financed from Crimea's budget should be formed.

Mykhaylo Bakharev, chairman of the Crimean Supreme Council standing committee for the mass media, believes that if there are not enough funds it would be quite sufficient only to report on activities by Crimea's president, government and Supreme Council.

Interviewed by a UNIAN correspondent, Borys Kyyashko, "Krym" television and radio company vice president, commented on events as follows: "The parliament of Crimea today transgressed Ukraine's integral information territory [yedynyy informatsiynyy prostir]."

Taking part in parliamentary work, Sergey Baburin, a deputy of the Russian Federation's State Duma, who had earlier met with with Supreme Council Chairman Serhiy Tsekov, spoke to the deputies, saying that "all Russia's regions are paying tremendous attention to developments in Crimea and the progress of its establishment."

He said: "It is our interest that you, as legislators, lay a normative foundation for the Republic to rest upon, for the rights of the citizens to be ensured, and for the year 1954 not to be repeated, when millions of people populating Crimea within Russia were at the stroke of a quill suddenly found themselves within Ukraine.

The State Duma deputy wished success to Crimea's president and parliament, and in conclusion said: "In creating your Republic, count on your own strength and our assistance, but do not forget this: Whatever decisions are made by you and whatever decisions are made by politicians in Kiev and Moscow, we regard you as an integral part of Russia, whether some like it or not."

Affiliation of Kharkov People's Deputies Reviewed

WS2807095294 Kharkov SLOBIDSKYY KRAY in Ukrainian 19 Jul 94 p 1

[Report by M. Ivanchuk: "Kharkov Residents in the Supreme Council"]

[Text] The central press has published data concerning the composition of the Ukrainian Supreme Council.

As everyone ones, nine factions and deputy groups have been established. Following are their names: "The Communists of Ukraine for Social Justice and Power of the People" faction—84 deputies; Rukh faction—27 deputies; "The Socialist Faction"—25 deputies; the "Center" [Tsentr] group—38 deputies; "The Agrarians of Ukraine" group—36 deputies; the "Reforms" [Reformy] group—27 deputies; the "Unity" [Yednist] group—25 deputies; the "Statehood" [Derzhavnist] group—25 deputies; "The Interregional Deputy Group"—25 deputies.

Twenty people's deputies do not belong to any faction or group.

Kharkov Oblast is currently represented by 23 deputies in the Supreme Council. Four of our representatives work in the parliament's governing bodies. O.O. Dyomin is Supreme Council deputy chairman (he does not belong to any faction or group). O.V. Taranov is chairman of the Permanent Commission for Issues of Economic Policy and National Economy Administration. V.I. Suslov is chairman of the Commission for Issues of Finance and Banking Activities. V.V. Mukhin is chairman of the Commission for Issues of Defense and State Security.

Our deputies belong to the following factions and groups:

"The Communists of Ukraine"—M.D. Kashlyakov, V.O. Ivanov, L.I. Harmash, B.S. Raykovskyy, V.S. Pustovoytovskyy.

"The Socialist Faction"—V.V. Mukhin, O.M. Chupakhin, A.H. Kosolapov, O.T. Berezhnyy.

The "Center" deputy group—O.M. Bandurka.

"The Agrarians of Ukraine" deputy group—V.M. Karasyk, O.A. Kudrevych, V.A. Hoshovska, V.I. Suslov.

The "Unity" deputy group—O.V. Taranov, P.O. Didyk, V.H. Alekseyev, O.I. Chornousenko, B.I. Olkhovskyy, M.I. Bychenko.

"The Interregional Deputy Group"—O.M. Karpov.

V.L. Musiyaka has not joined any faction or group.

In the course of the spring elections, deputies were not elected in four constituencies. The runoff elections will be held on 24 July.

The Supreme Council has recently deemed the election in Radyanskyy constituency invalid. The runoff elections there will be held at a later date.

Meshkov Demands Dual Citizenship in Ukraine

LD2907102694 Kiev UNIAN in Ukrainian 1830 GMT 28 Jul 94

[Text] Simferopol—"Without our own citizenship, we cannot speak of full statehood in the Republic of Crimea, and this can be our only strong safeguard," Crimean President Yuriy Meshkov said in an interview published in KRYMSKAYA PRAVDA on 28 July. Meshkov said the entire electorate who voted for the new president of Ukraine, and not only Crimeans, cast their ballot in support of the right to dual citizenship. "Crimean parliamentarians, backed by the Crimean Constitution and the law on citizenship, should propose that the Supreme Council of Ukraine pass legislation guaranteeing the Republic's citizens this constitutional right and ensure that citizens of Ukraine can expect to have the right to dual citizenship. This is demanded not only by Crimeans but also by residents of Ukraine's eastern and southern regions," the Crimean president said.

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Belarus

Lukashenka 'Pinning Great Hopes' on Meeting With Yeltsin

MM2807134594 Moscow KRASNAYA ZVEZDA in Russian 28 Jul 94 p 3

[Report by Valeriy Kovalev: "Belorussian President Heads for Moscow and Hopes Not To Return Empty-Handed"]

[Text] Minsk—The presidents of Russia and Belorussia [Belarus] are to meet in Moscow 2 August. Alyaksandr Lukashenka does not hide the fact that he is pinning great hopes on this meeting. And whether the young head of the Belorussian [Belarusian] state succeeds in stabilizing the economic situation in the Republic, which he himself has said is "verging on catastrophic," will indeed largely depend on its results. After being sworn in, Lukashenka delivered a report at an extraordinary session of the parliament, stressing in particular: "In the near future we must set about formulating a comprehensive, wide-ranging treaty on long-term cooperation with Russia instead of agreements, which were designed for effect, and are not working." In his view, this treaty should concern not only the economic, but also the political, military, and other spheres.

By all accounts the upcoming meeting in Moscow will finally resolve the protracted issue of the two countries' monetary union. During a conversation with Russian journalists the president was asked: Will his attitude to former Premier Vyacheslav Kebich, who enjoyed great prestige with the Russian leadership, affect the durability of relations between Belorussia and Russia?

"Believe you me, Kebich cannot have any influence at all on Belorussian-Russian relations," the president replied. "Let me say more: The Russian leadership was very interested in the 'Lukashenka phenomenon,' our ambassador told me. President Yeltsin has taken a very serious view of my team and I am grateful that he has instructed his government to offer Belorussia assistance. As for Kebich, I have no intention of settling any scores with him. His future must not be wrecked just because we were political rivals."

When introducing the new minister, Colonel General Anatol Kastenka, to the apparatus of the republic's Defense Ministry, the Belorussian president said that he would also strive to deepen and develop cooperation with Russia in the military sphere. He said that he has already spoken over the telephone with Pavel Grachev, head of the Russian military department, who expressed willingness to collaborate very closely in all aspects of this cooperation.

I have learned from reliable diplomatic sources that the question of extending the Russian troops' stay on Belorussian territory will also be discussed during the meeting in Moscow.

To Discuss 'Big' Agreement on 3 Aug

WS2907092994 Minsk Radio Minsk Network in Belarusian 0300 GMT 29 Jul 94

[Text] The meeting of the presidents of Russia and Belarus has been postponed for one day. According to a new arrangement, Boris Yeltsin and Alyaksandr Lukashenka will meet in Moscow on 3 August.

According to preliminary reports, the state leaders will discuss economic and political cooperation, including the preparation of a big economic agreement between our two countries. BELINFORM reports that the Belarusian side will come up with a number of initiatives during the talks.

Defense Ministry on Russian Troops Withdrawal Program

LD2807173294 Moscow INTERFAX in English 1339 GMT 28 Jul 94

[Text] The Belarusian Defense Ministry does not seek to stall or speed up the withdrawal of Russian troops from the country, a ministry spokesman said.

In an interview with INTERFAX, Yevgeniy Rzhavtsev said the military command was committed to the agreed timetables of the pull-out of Russian long-range nuclear weapons to be completed by 1998.

At the same time, Rzhavtsev said Moscow had asked the Belarussian government to consider the possibility of keeping part of its military installations in Belarus because of their strategic importance to Russia. This includes a radar station at Gantsevich and a communications center for Baltic Fleet warships at Vileika.

The spokesman said Belarus was keen to preserve those installations on its territory given its involvement in the CIS collective security system and its need for reliable defence. He said the two countries were holding talks to discuss the terms of continued maintenance of the two facilities.

It is now known that the issue will come high on the agenda of summit talks between the Russian and Belarusian leaders opening in Moscow on August 3.

Further Comments on Withdrawal

LD2807175894 Moscow INTERFAX in English 1527 GMT 28 Jul 94

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] The Belarusian authorities are not going to either slow down the withdrawal of Russian troops from the country or speed it up, a Belarusian Defence Ministry official, Colonel Yevgeniy Rzhavtsev has said.

He said the new commanders of the armed forces were determined to firmly stick to the current Russian troop

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withdrawal time-table, requiring the removal of the last nuclear missile from Belarus before 1998.

At the same time Rzhavtsev said that Russia had asked the Belarusian leaders to consider the possibility of preserving a number of facilities in Belarus as having global strategic importance for Russia, such as the radar at Gantsevichi and the communication facility in Vileika to control the ships of the Russian Baltic Fleet.

Bearing in mind Belarus's membership of the system of CIS collective security and the need to have a reliable defence Minsk is interested in preserving these military installations in the country's territory, Rzhavtsev said.

Currently Belarus and Russia are holding talks on the further operation of military facilities. According to official sources this question is going to be discussed when the Russian and Belarusian Presidents meet on 3 August.

President Lukashenko and President Yeltsin will also discuss a 750-800 billion-ruble-credit to Belarus, a reliable source in the Belarusian Government has said (Belarus's current debt to Russia is $385 million).

IF Note: Lukashenko has called the unification of Belarusian and Russian monetary systems as the chief topic on the agenda of the Belarusian-Russian summit. President Lukashenko is a firm supporter of a monetary union that would preserve the right of the Bank of Belarus to monetary emission.

Prime Minister To Present Cabinet Appointments 1 Aug

WS2907092794 Minsk Radio Minsk Network in Belarusian 0300 GMT 29 Jul 94

[Text] It seems that the appointment of new ministers will take place very soon. According to BELINFORM, Mikhail Chyhir, head of the Cabinet of Ministers, should submit new cabinet appointments for the president's approval on Monday, 1 August. It is not known yet which of the former ministers will retain their offices and who will receive new appointments. One must not forget, however, the president's promise about reappointing only those former ministers who are high-class specialists and who have not been involved in any suspicious dealings. It is hard to say when the president will announce his resolution on the proposed candidacies, but Alyaksandr Lukashenka's press service believes that this question should be resolved in a few days.

National Bank Head Deems Merger Terms 'Unacceptable'

WS2907091494 Minsk Radio Minsk Network in Belarusian 1600 GMT 28 Jul 94

[Text] Belarusian National Bank Chairman Stanislaw Bahdankevich has sent a note to the Supreme Soviet, in which he points out that the Russian-Belarusian unification of monetary systems on Russian terms is unacceptable. He objects to the provision stipulating that all important elements of Belarusian economic policy are to be approved by Russia's legislature and Russian legislative acts are to be automatically extended to cover Belarus. Furthermore, Belarus stands to loose its sovereign rights to maintain the stability of its currency. In Bahdankevich's opinion, by uniting its monetary system with Russia, Belarus will loose far more than it stands to gain.

IMF Director, Belarusian Leaders To Discuss Loan Problems

LD2807192994 Moscow INTERFAX in English 1654 GMT 28 Jul 94

[Text] The International Monetary Fund is to open a credit line for Belarus. However, the final decision will depend on the extent the Belarussian government's moves reflect the IMF's demands, the IMF's Managing Director Michel Camdessus stated on Thursday [28 July] after his arrival to Minsk from Kiev.

During his two-day stay in Minsk he is to hold talks with Belarussian President Alyaksandr Lukashenka, Prime Minister Mikhail Chigir and Parliament Speaker Mycheslaw Hryb.

The talks are expected to deal with the Belarussian Government's economic policies, which, in the IMF's opinion, should be made more specific, and with the possibility of extending new systems credits to Belarus.

Last summer, the IMF extended Belarus the first part of the $98-million credit for implementing the Belarussian reform. A larger part of the sum was used to buy Russian energy and fuel.

Moldova

Parliament Adopts New Constitution

LD2807160094 Moscow ITAR-TASS World Service in Russian 1509 GMT 28 Jul 94

[Report by ITAR-TASS correspondent Valeriy Demidetskiy]

[Excerpts] Kishinev [Chisinau], 28 Jul—The Moldavian [Moldovan] parliament has today adopted a new Constitution, which will supersede the Constitution adopted in 1977 when the Republic was part of the former USSR. The new basic law will come into effect on 27 August 1994. This is the date when the Republic will celebrate the third anniversary of its secession from the Soviet Union and its declaration of independence.

The new Constitution proclaims Moldavia a sovereign, independent, and indivisible state. At the same time, it says that settlements on the left bank of the Dnestr [Dniester] and the south of Moldavia may be granted a

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special autonomous status, the forms and conditions of which are to be defined by a separate set of laws. [passage omitted]

A solemn ceremony will be held in the Moldavian parliament on 29 July, where the deputies will confirm the country's new Constitution with their signatures.

Opposition Unable To Block Debates

LD2807181794 Moscow INTERFAX in English 1527 GMT 28 Jul 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] An opposition peasant-intellectual bloc on Wednesday [27 July] refused to attend a current parliament session considering the draft constitution at second reading. The group of the Christian Democratic Popular Front is present at the session but is not taking part in either the debates or the voting.

On Tuesday, the opposition groups went out in protest against a majority vote to include in the constitution Article 111 providing for a special status for the Russian-speaking enclave of Transdniestria and the regions with predominantly Gagauz population. The opposition believes the article effectively recognizes the self-proclaimed Transdniestrian and Gagauz republics and makes Moldova a federal state.

Dumitru Motpan, deputy chairman of parliament and chairman of the ruling Agrarian Democratic Party, said in an interview with INTERFAX that the opposition's attempts to block the constitution debates were doomed to failure, because the parliamentary bloc of the Agrarian Democratic and Socialist Unity Parties has a membership of 84, while only 68 votes form a two-thirds majority needed to pass the constitution.

"Parliament will continue considering the constitution article by article whether the opposition is present or not. All proposals which opposition groups make and which are submitted to the Constitutional Commission in advance will be discussed and put to the vote," Motpan said.

He said Article 111 would by no means turn Moldova into a federation but offered a good chance to settle the conflicts in Transdniestria and the south of the country.

Meanwhile, Moldovan and Transdniestrian negotiators had their first meeting on Wednesday to discuss a plan to give the enclave a special status.

At the meeting, held in the Transdniestrian village of Golerkany, Moldova was represented by First Deputy Foreign Minister Nicolae Osmochescu and Transdniestria by its state secretary Valeriy Litskay. The talks were mediated by Ambassador Vladlen Vasev, a special envoy of the Russian president, and Richard Samuel, head of a mission of the Conference on Security and Cooperation in Europe.

The negotiators agreed a schedule for further talks and decided that all proposals made at them would be sent to the leaderships of Moldova and Transdniestria for approval. The next meeting is due in September.

Vasev, in an interview with INTERFAX, said it was premature to call the talks "a full-scale negotiation process," but said the sides had agreed to conduct a constructive dialogue.

Osmochescu said "it was not our fault" that earlier Moldovan- Transdniestrian negotiations had been interrupted last April, after a joint declaration had been signed. "Quite a lot of time has been lost, and now we have to work very intensively to come to a compromise," he said.

Earlier on, Grigoriy Marakutsa, chairman of Transdniestria's legislature, said the declaration could provide a good basis for compromise, "but everything was spoiled by the position of Kishinev [Chisinau], which started giving its own interpretations to the document immediately after it was signed." Marakutsa said the document was to give Transdniestria a political and legal status and provide a basis for the separation and mutual delegation of powers. "That could have marked the beginning of a dialogue, but soon after the document was signed the Moldovan leadership began to distance itself from it. This suggests that Kishinev doesn't want to talk to us on equal terms and is being arrogant. It's is causing problems. It's very difficult to have a dialogue now," Marakutsa said.

Parliament Gives Special Legal Status to Gagauz Rayons

LD2807204594 Moscow ITAR-TASS World Service in Russian 1747 GMT 28 Jul 94

[Report by ITAR-TASS correspondent Valeriy Demidetskiy]

[Excerpts] Kishinev [Chisinau], 28 Jul—The Moldovan Parliament today passed a law on the special legal status of the Gagauz rayons at its first reading. It is expected that this document will now permit the removal of points of conflict which arose between the Moldovan leadership and the Gagauz in 1990. [passage omitted]

The draft law grants the Gagauz national-territorial autonomy within Moldova, as well as the right to independently decide on matters of political, economic, and cultural development within the bounds of their competence. In the event of a change in the status of Moldova in international law—its unification with Romania, for example—the Gagauz receive the exclusive right to foreign territorial self-determination.

"The present draft law is the result of long and difficult negotiations between Kishinev and Komrat (Gagauz capital) and is a good basis for settling the Gagauz problem," Petr Buzadzhi, vice president of the unrecognized Gagauz republic told an ITAR-TASS correspondent. "If it is passed without any particular amendments it will lead to the settlement of the conflicts which have arisen between us."

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Kazakhstan

Premier Denies Secret Uranium Sales to Third World

LD2807163294 Moscow Russian Television Network in Russian 1200 GMT 28 Jul 94

[Report over video by correspondent A. Kondrashov; from the "Vesti" newscast]

[Text] [Announcer Aleksandr Sapozhnikov] IAEA Director General Hans Blix visited the Semipalatinsk testing ground today. Yesterday he said that the IAEA inspection at the site showed that the radiation background level was normal, though the Kazakh side disagreed on this.

[Kondrashov] Following the collapse of the Soviet Union, Kazakhstan was one of the four states on its territory upon which the West fixed its attention because of its nuclear potential. In addition to the missiles, on withdrawal of which a legal settlement has been reached with Russia and the United States, Kazakhstan also has five nuclear reactors. Kazakhstan's signature on the Treaty on Nonproliferation of Nuclear Weapons was not a factor in the political ambitions of Kazakhstan's leaders, and today the situation regarding the nuclear installations here does not give rise to any particular concern on our part, said IAEA Director General Hans Blix, who is in Alma Ata [Almaty] on an official visit.

After closed-door talks, the IAEA head and Kazakhstan's prime minister signed a treaty-accord on guarantees. The document essentially specifies Kazakhstan's previous purely declaratory rights and duties regarding its nuclear activities. Among other things, the Republic accepts in new aspects all the conditions of the IAEA monitoring system and submits to the quota principle of trading in uranium on the world market.

At a news conference, Kazakhstan's Prime Minister Sergey Tereshchenko resolutely denied reports that Kazakhstani uranium is being sold secretly to Third World countries.

Cossacks Warned Not To Wear Military Uniforms

MM2807111594 Moscow KRASNAYA ZVEZDA in Russian 27 Jul 94 p 2

[Report by Anatoliy Ladin under the "Regional News" rubric: "The Cossacks Have Been Warned. About Uniforms"]

[Text] Alma-Ata [Almaty]—The above announcement [reference to headline] has been made by Deputy Justice Minister Aytmukhamed Toleukhanov. The Justice Ministry's warning has been delivered to the board of the Semirechye Cossacks Aid Society because the wearing of the Tsarist Russian Cossack military uniform is a violation of the Law on Compulsory Military Service, which states that military uniform may only be worn by servicemen.

Volunteers to Serve at Tajik-Afghan Border

LD2807190894 Almaty Kazakh Radio Network in Kazakh 1400 GMT 28 Jul 94

[Excerpt] A regular company of volunteers from a military regiment in Chimkent has left for Tajikistan to serve in the Khorog Frontier Regiment. For three months they will protect part of the Tajikistan-Afghan border. [passage omitted]

Accident Reveals 'Disastrous' Conditions at Baykonur Town

LD2807114594 Moscow ITAR-TASS in English 0956 GMT 28 Jul 94

[Text] Moscow 28 July (TASS)—Rescue and search operations were withheld on Wednesday [27 July] night in the town of Leninsk near the Baykonur cosmodrome, at the venue of a gas explosion which occured on Monday night in a five-storied apartment house.

Rescuers have extracted 14 corpses from the debris, the Russian Ministry for Emergency Situations told ITAR-TASS today.

In expert opinion, the explosion occured because of a gas leakage. According to the ministry's representatives, servicemen, civil defence specialists and medical officers, who participated in the rescue operations, the explosion was so violent, that all the concrete floors fell through in one section of the building, while the neighbouring section was also damaged and virtually all the window-panes in the neighbourhood went to pieces. All in all, 19 apartments were damaged if not ruined.

According to the survivors, they notified relevant services that they smelt gas in their apartments several days before the tragic accident. This information is being checked on.

The ultimate cause of the tragedy consists in the poor conditions of daily life in Leninsk, experts say. Engineering communications, power transmission lines need to be replaced urgently. Most of the apartment buildings in Leninsk are in a state of disastrous disrepair.

However, no funds for tackling the problems are available. Although Russia and Kazakhstan signed bilateral agreements to this effect, neither of them allots the money.

'Miniplant' Begins Refining Gold From Local Ores

MM2807132994 Moscow PRAVDA in Russian 27 Jul 94 p 1

[Report by Tleuzhan Yesilbayev: "Bakyrcha Gold"]

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[Text] The first ingot of pure gold has been obtained at the Bakyrcha mining and enriching combine in Semipalatinsk Oblast. Equipment used at the joint venture to obtain the precious metal from local raw material was supplied from the United States, Australia, and Canada. The miniplant now in operation is capable of processing up to 150,000 tonnes of ore annually.

Tajikistan

Russian Commander Refuses To Intervene in Fighting

LD2807130194 Moscow ITAR-TASS World Service in Russian 1105 GMT 28 Jul 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 28 Jul—The command of the 201st Russian Motorized Rifle Division deployed in Dushanbe has rejected a request by Imamali Rakhmonov, chairman of the Tajikistan Supreme Council, to render military aid to the Republic, considering it impermissible to interfere in a domestic political conflict. An ITAR-TASS correspondent learned about this today from well-informed military sources.

This request was motivated by the acute deterioration in the domestic political situation, primarily in Tavil-Darya rayon, where fighting between units of the government forces and opposition armed groupings is taking place.

A closed sitting chaired by Imamali Rakhmonov is known to have taken place today, with leaders of power structures taking part; it deemed the situation to be serious and to need additional forces. In this connection special units of the Tajikistan Interior Ministry and a special-purpose brigade of the republic's Defense Ministry, stationed in the town of Kurgan-Tyube, have already been sent to the combat zone.

While stepping up armed action, the opposition has embarked on intensified ideological work among the population. Leaflets signed by Sayed Abdullo Nuri, leader of the Tajik Islamic Renewal movement, who is heading the so-called government in exile, have appeared in Dushanbe and a number of other settlements. He calls upon his compatriots "in order to avoid senseless bloodshed and innocent victims to temporarily abandon their neighborhoods, where the army of the Tajik Islamic Renewal movement will be carrying out military actions." The appeal also stresses that "in the very near future the oppression and suppression of the Tajik people will come to an end."

Forces Strike 'Opposition' Base; Captured Troops Defect

LD2807161594 Moscow Radio Rossii Network in Russian 1500 GMT 28 Jul 94

[Text] As INTERFAX reports, planes of Tajikistan's air force have carried out an air strike on an opposition base located in the Republic's Tavildarinskiy rayon. The opposition confirms that this resulted in the destruction of many homes in the villages of Kholodzhur and Ramitdul. Many civilians were killed. The exact number of casualties has yet to be reported.

Meanwhile, according to information from the Tajik Defense Ministry, the location has been discovered of some of the 53 servicemen from the Tajik Army who were recently captured. They are in a mountain village outside Khorog and, according to the information available, they have gone over to the opposition.

Head of State Denies Asking for Russian Assistance

LD2907093994 Dushanbe Radio Tajikistan Network in Tajik 0800 GMT 29 Jul 94

[Statement by the press center of the head of state of the Republic of Tajikistan; read by announcer]

[Text] Yesterday, 28 July of the current year, the "Vesti" program of Ostankino television and Mayak radio broadcast a report claiming that Tajik Supreme Soviet Chairman Emomali Rakhmonov has appealed to leaders of the 201st Russian Division stationed in Tajikistan to provide military assistance to crush small armed opposition groups based on the territory of Badakhshan.

In this connection, the press center of the head of state of Tajikistan states that no such a request has been made by Tajik Supreme Council Chairman Emomali Rakhmonov. This has also been rejected by the leadership of the 201st Russian Division.

Of course, in these circumstances such false reports are disseminated with the purpose of aggravating the political situation in the republic on the eve of presidential elections in Tajikistan, and to sow discord and doubt among the people of the Republic.

As far as the situation in Gorno-Badakhshan Oblast is concerned, suffice it to say that staff members of the Tajik Defense Ministry are carrying out operations to free the hostages of the Republic's Defense Ministry.

[signed] The press center of the head of state of the Republic of Tajikistan.

Military Situation Worsens Following Capture of Troops

MM2807121594 Moscow KRASNAYA ZVEZDA in Russian 28 Jul 94 p 3

[Report by Aleksandr Pelts: "Tajikistan: Prisoners Sought Through Battle. Operation To Liberate Them May Develop Into Wide-Ranging Hostilities"]

[Text] For over a week the fate of 50 Tajikistan servicemen and several Tajikistan Defense Ministry officers who were captured 22 July has remained unknown. We would remind you that they were captured

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by field commander Khakim's armed grouping operating in the Pamir regions northeast of Dushanbe.

Yesterday we telephoned Colonel General Grigoriy Bessmertnykh, chief of staff of the Collective Peacemaking Forces [CPF]. In an exclusive interview he said that the situation in both the Tajikistan capital and the Kofernikhon area is under the control of the National Army. A search is continuing for the prisoners, but it has not so far proved possible to pick up their trail.

Talks with the field commanders of Gorno-Badakhshan Autonomous Oblast's self-defense forces have not borne fruit either; according to the Tajikistan Defense Ministry that is where the prisoners were taken.

As a whole this incident has caused a sharp deterioration in the situation in the Republic, primarily in the Garm group of rayons. As you know, this is where the main detachments of the Tajik armed opposition are concentrated, having escaped defeat back in winter 1992.

It is here that the main events are unfolding today. Tajikistan National Army subunits are searching for the prisoners using helicopters and armored groups. Virtually every day they are fighting mobile, well-armed groups of Tajik guerrillas. Yesterday, for instance, there was another major clash near the village of Khait (200 km east of Dushanbe). People were killed and wounded. Altogether, according to Tajikistan Defense Ministry information, there are 200 guerrillas hiding in these mountainous areas.

How can this situation affect the position of the Russian troops and Russian border guards guarding the Tajik-Afghan border? What is the CPF's stance? Col. Gen. Grigoriy Bessmertnykh answered this question by stressing that the deterioration in the situation has made it necessary to establish closer cooperation between CPF and Border Guards units. The latter, we know, have put their forces on heightened combat alert in order to prevent captured Tajik servicemen from being moved to Afghanistan. CPF representatives are taking part in talks with Gorno-Badakhshan Autonomous Oblast field commanders; however, they are not directly involved in the combat operations. "We have several other tasks," the CPF chief of staff stressed.

Nevertheless the dramatic upsurge in the armed opposition's activity is primarily evidence of its growing strength. It is extremely indicative that active combat operations have resumed not on the border with Afghanistan but within the Republic. That is a very alarming fact, which threatens another phase of bloody civil war in Tajikistan. Nor can the scenario be ruled out whereby, having tied up the government forces in fighting in inaccessible mountain areas, the opposition could then attack the Tajik-Afghan border. They have sufficient forces to do so.

CIS Forces Commander on Inter-Tajik Conflict

LD2707180194 Moscow INTERFAX in English 1628 GMT 27 Jul 94

[Text] Commander of the Coalition Peacekeeping Forces in Tajikistan, Colonel-General Valeriy Patrikeyev said he believed that the peacekeeping forces should not be involved in the inter-Tajik conflict.

"Force is not an argument within the context of the present situation in this country," Patrikeyev said in an exclusive interview with INTERFAX today. "If the peacekeeping forces got involved in the Tajik conflict it would inevitably become one more Afghanistan," he said.

Patrikeyev said he believed that it was necessary to urgently use the mechanism for political settlement in Tajikistan. Patrikeyev said the Tajik opposition did not have enough force for wide-scale offensives.

Patrikeyev said that the presence of the Russian 201 motorized division and sub-units of the Russian Border defense troops in Tajikistan was a serious counterbalance and an undoubted factor of stability.

However, Patrikeyev added he was concerned about the recent developments near Tavil-Dara (eastern Tajikistan) where the armed opposition had captured 53 servicemen of the Tajik Defense Ministry. He said he was also concerned about the attack against one more Tajik unit to the east from Dushanbe last night. He said he believed that a series of terrorist acts against Tajik servicemen could provoke the escalation of military actions in this region.

Security Concerns Halt Dushanbe-Moscow Train

LD2807110994 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 28 Jul 94

[Text] Beginning today the Dushanbe-Moscow train will come to a halt. According to a report by a Khovar correspondent from the Dushanbe department of the Central Asian railways the Ministry of Transport made this decision because of the gross violation of the security regulations and services. It is therefore necessary for us to bring order in the trains so that they meet modern standards. A commission left Dushanbe for Moscow to tackle recent problems with the hope of resuming trains travel in the near future. The sale of tickets was stopped on 20 July and money will be returned to passengers who had bought tickets earlier without deducting the commission.

Uzbekistan

Karimov Blames Personnel Policy Mistakes for Stalled Reform

LD2807182394 Moscow INTERFAX in English 1527 GMT 28 Jul 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

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[Text] President Islam Karimov in a speech in the northern city of Karshi has criticized local administrators for the slow pace of social and economic reforms in the region.

He called for rooting out the mood of subsidy-seeking among regional leaders, many of whom preferred to appear at all sorts of ceremonies instead of doing the business in hand. The president also called for an improvement in the selection and distribution of government officials since personnel policy mistakes were putting a brake on further reforms.

Karimov also pointed to the need to back up the country's new currency unit, the soum. IF Note: A total of 204 exchange offices have opened up throughout the country since 1 August to allow Uzbek citizens to swap soums for hard cash. All of them are supplied with foreign cash and equipped with computerized and security systems, Finance Minister Bakhtiar Khamidov said in a live TV program late on Wednesday [27 July]. He said each citizen was entitled to buy $250 either as a lump sum or in part until the end of this year in line with the government resolution on beefing up the soum. However, the minister described the measure as temporary being based on the experience gained in other countries, including Hungary whose citizens were initially allowed to buy only $50. Khamidov held out promises that the exchange campaign would pass off in calm and without panic. Anyone found in breach of currency exchange regulations will be brought to book.

"The main thing is that the reforms should yield something of substance to the people," Karimov said. He spoke of widespread expectations of a better life ahead adding that the government's duty was to try to strengthen those beliefs.

Karimov, currently on a tour of the country, has ended visits to Surkhandarya and Kashkadarya regions and is now due to go to Samarkand region.

Karimov Visits Samarkand, Addresses Local Officials

LD2907080594 Tashkent Radio Tashkent Network in Uzbek 0145 GMT 29 Jul 94

[Excerpts] On 27 July Islam Karimov, president of the Republic of Uzbekistan, arrived in Samarkand. Our country's leader visited Samarkand district where he acquainted himself with the progress of construction work here. He also visited the ancient Amir Temur gardens where a cultural and rest centre is being built. On the morning of 28 July Karimov visited the Amir Temur mausoleum and acquainted himself with the progress of construction work on sites around it.

A meeting of the activists in the oblast was held. Hakims of the oblast, cities and districts, heads of law and order organs, administration offices, and public organizations participated in this meeting. Islam Karimov delivered a speech at the meeting. The president spoke on the reforms being carried out in the oblast, cities and districts the results of [word indistinct] privatization, problems arising as a result of this, steps taken to overcome these, the role and duties of the hakims in this. [passage omitted]

On the same day the visit of Islam Karimov, the president of our Republic, to Surkhandarya, Kashkadarya and Samarkand oblasts came to an end.

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Armenia

'Unofficial' Sources Claim Karabakh Cease-Fire

NC2807125994 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0715 GMT 28 Jul 94

[Text] Moscow ("LRAGIR" daily—PAST), 07/28/94—Special Envoy of the Russian President Vladimir Kazimirov met former Deputy Chairman of the CSCE Minsk group, now the Ambassador of Sweden to Morocco Mathias Mosberg and the current CSCE Minsk group Deputy Chairman Anderman in Moscow on 25 July.

The goal of the meeting is to get acquainted with the newly elected Deputy Chairman and exchange opinions on current advances on resolution of the Karabakh conflict.

According to Kazimirov, though the terms are not yet defined, he plans a new visit to the region together with the CSCE Minsk group Chairman Eliasson.

Concerning the results of his recent visit to Yerevan, Baku and Stepanakert he noted three different positive trends: first, leaders of the conflicting sides confirmed their responsibilities to increase control over cease-fire; second, the sides are putting all efforts to facilitate preparation of a great peace agreement; third, relatively favorable conditions have been created for unification of the CSCE and Russian peace projects.

[ARAGIL note] P.S. Unofficial sources informed us yesterday that a peace has been signed between Azerbaijan and Karabakh, giving the latter a status of an autonomous republic within Azerbaijan. This information has not been confirmed by any official reports so far.

Foreign Ministry Announces Formal Cease-Fire

NC2807174094 Yerevan Radio Yerevan International Service in Armenian 1530 GMT 28 Jul 94

[Excerpt] The Armenian Foreign Ministry issued a statement today in which its specifically said: The defense ministers of Armenia and Azerbaijan and the commander of the Nagorno-Karabakh Defense Army signed a cease-fire agreement on 27 July that reiterates and imparts legal status to the cease-fire agreement reached in the Karabakh conflict zone with the mediation of Russia between 9 and 11 May. With this agreement, the sides have confirmed their readiness to speed up and deepen the talks in August with an eye to further agreement on military-technical matters and the deployment of the CSCE observers and international security forces. The sides particularly undertook not to violate the cease-fire under any condition until the signing of the aforementioned agreement. The agreement envisages cooperation between the international security forces and CSCE observers.

A copy of the signed agreement has been sent to Russian Defense Minister Grachev, Foreign Minister Kozyrev, special presidential envoy Ambassador Kazimirov, and to the Chairman of CSCE Minsk Group Ambassador Eliasson.

It is worth noting that the final steps toward the agreement were completed through personal and direct contacts between the signatories.

The Armenian Foreign Ministry sees the signing of this agreement as important in view of the fact that it legalizes the cease-fire of the last 10 weeks, which in its turn has created a historic opportunity to terminate the conflict.

Armenian Foreign Minister Vahan Papazyan and Deputy Foreign Minister Zhirair Liparityan held a news conference today for the foreign diplomats in Armenia. It was devoted to the cease-fire agreement signed between the defense ministers of Armenia and Azerbaijan and the commander of Nagorno-Karabakh Defense Army on 27 July.

Papazyan briefed the diplomats on the main principles of the the document and noted that the Armenian Foreign Ministry press service has issued a statement on the signing of the agreement. [passage omitted]

Views Importance

LD2807154694 Moscow ITAR-TASS in English 1343 GMT 28 Jul 94

[Report by ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan 28 July TASS—The Armenian Foreign Ministry attaches much importance to the agreement on a cease-fire in the Nagorno-Karabakh conflict zone, which was signed by Armenian, Azeri and Karabakh military leaders, the Ministry said in a statement released on Thursday [28 July].

The agreement gave an official status to the cease-fire respected in the conflict zone for the past 10 weeks, the statement pointed out. This marked a historic step towards ceasing the armed confrontation in Karabakh.

The statement recalled that on 27 July, the Armenian and Azeri defence ministers and Nagorno-Karabakh Army and defence commanders signed a cease-fire agreement to confirm and give a legal status to the truce agreed upon in May.

The Armenian Foreign Ministry noted that when signing the present agreement, the sides announced their readiness to speed up in August negotiations for a new accord on military technical issues and deployment of CSCE and international security forces observers.

Under the signed document, the conflicting sides agreed, in particular, to observe the cease-fire until a new agreement was concluded. The document provides for

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cooperation with international security forces and CSCE observers, a Foreign Ministry official reported.

The ministry said a copy of the signed agreement had been sent to Russian Foreign Minister Andrey Kozyrev and Defence Minister Pavel Grachev, Russia's special envoy for Karabakh settlement Vladimir Kazimirov, as well as to the head of the CSCE Minsk group for Nagorno-Karabakh, Jan Eliasson.

Armenian Foreign Minister Vagan Papazyan met on Thursday with the heads of diplomatic missions accredited in the Republic and familiarized them with the main terms of the cease-fire agreement, a Foreign Ministry spokesman told TASS.

Karabakh Official Comments

NC2807183794 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 28 Jul 94

[Text] Manuel Sargisyan, adviser to the Nagorno-Karabakh Republic Foreign Minister, said the following in connection with the statement issued by the Armenian Foreign Ministry press service today on the agreement concluded between the military departments of Armenia, Azerbaijan, and Nagorno-Karabakh:

The letter sent to the mediators and the agreed text, which has been signed by all the sides to the conflict, is essentially a confirmation of the readiness of all parties to maintain the existing cease-fire and to intensify the negotiating process. The positions were coordinated through local exchanges between the conflicting sides.

Finally, Sargisyan added, the Karabakh side hopes that this readiness will not remain a mere desire, but instead will be consolidated through resolute steps to create real mechanisms to prevent the resumption of the fighting.

Manucharyan Says No Possibility of Working With President

NC2807130094 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0715 GMT 28 Jul 94

[Text] Yerevan ("GOLOS ARMENII" daily—NOYAN TAPAN), 07/28/94—A report about a confidential meeting between Ashot Manucharyan and the RA [Republic of Armenia] President Levon Ter-Petrosyan on Saturday, 23 July, was published in "LRAGIR"s 27 July issue. A "NT" [not further identified] correspondent asked Manucharyan to comment on this publication.

Manucharyan promised to explain the goals of those who published this information at a meeting on 29 July. "I never met the RA president and never had a desire to continue joint work with him, even if the situation in Karabakh aggravates. I made several comments in this regard but they don't correspond to those published in the article. Different political forces in Armenia, including the opposition, may be looking for compromises for normalization of the situation in the country, which may include some agreements with the current president of RA. Joint work with him is possible within the framework of creating structures of national consent. But I personally exclude the possibility of any joint work with Levon Ter-Petrosyan in the spheres of power. I made several evaluations of president's work recently, without touching moral or human aspects. My understanding of dignity, merit and fairness is completely incompatible with the norms of RA president's work during the last year. I completely lost trust to this person, which eliminates the possibility of any collaboration with him."

Presidential press service also denied that a meeting has been held between Manucharyan and Ter-Petrosyan.

National Democratics 'Intensifying' Country's Politics

NC2807211094 Yerevan SNARK in English 1331 GMT 28 Jul 94

[Text] Yerevan, 28 Jul (SNARK)—Davit Vardanyan, a chairman of the National Democratic Union of Armenia, speaks for intensifying the political life of Armenia.

It's well-known, the National Democratic Union for some months has been taking multi-thousand anti-Government meetings in Yerevan to accuse the political leadership of Armenia of anti-popular policy and law violations.

According to Mr. Vardanyan, the Union worked out the political and economic anti-crisis program and is ready to cooperate with other political parties to make the existing leadership resign.

Tomorrow, a current meeting will take place in Yerevan. The National Democratic Union will introduce the program and the main principles of the work the Union is taking.

Azerbaijan

State Advisor Comments on Cease-Fire Agreement

NC2807202094 Baku TURAN in English 1748 GMT 28 Jul 94

[Text] Baku, 28 Jul (TURAN)—A joint appeal of an intention to prolong the cease-fire agreement for 90 more days was signed on 26 July by Defence Ministers of Azerbaijan, Armenia and the Military Commander of Nagorno-Karabakh. The agreement should last until the signing of the Major Political Agreement [MPA], was told by Vafa Gulizade, the state advisor for international affairs at today's briefing, held in Baku. He noted that the joint appeal is an important document, containing the intention of the parties to abstain from the violation cease-fire, continuing since 12 May 1994. According to

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him, the first option of the appeal was submitted by Russian President's special envoy for Nagorno-Karabakh Vladimir Kazimirov and was agreed with Jan Eliasson, the head of CSCE's Minsk Group.

Gulizade noted that during working out the text of the document Azerbaijan had sent its option with its proposals to Yerevan by communication channel through Paris. Armenia had accepted this plan with some amendments. According to Gulizade Azerbaijan proposed the soon signing of Major Political Agreement.

The signing of MPA became possible due to cooperation of Russia and the CSCE, according to Gulizade. "The first result of that cooperation became the joint appeal of Kazimirov and Eliasson to warring parties to keep to cease-fire, the second result can be considered the fixation of cease-fire by the warring parties themselves," said Gulizade. He noted that there is an intention to sign the MPA till the end of August of 1994. Answering the question on Shusha and Lachin's fate, Gulizade said that Azerbaijan's position is unchangeable—Shusha and Lachin are Azeri towns and they had to be freed.

According to state advisor, the separating forces might not be deployed into the region. "But still we speak only about the CSCE's and Russia's international observers."

Baku Pledges To Observe Cease-Fire

LD2807195894 Moscow ITAR-TASS in English 1757 GMT 28 Jul 94

[By ITAR-TASS correspondents Sevindzh Abdullayeva and Viktor Shulman]

[Text] Baku 28 July TASS—Azerbaijan confirmed its readiness to respect the cease-fire pending a large-scale political agreement on Nagorno-Karabakh settlement, which is to be concluded within a month, the Azeri State Counsellor for Foreign Policy, Vafa Gulizade, told a news conference on Thursday [28 July].

According to him, Armenia has undertook a similar obligation, according to the counsellor.

Speaking about the peace plan proposed by Russia, Gulizade described this document as "not a bad one." It does not mean, however, that the conflicting sides will accept either the peace deal moved only by Russia or that of the CSCE, the state counsellor emphasised.

The accord that is being drafted at the moment will be a comprehensive document to take into account the opinions of all parties.

Gulizade expressed hope that the accord would be signed by the conflicting sides, which will put an end to the bloodshed and turn "the conflict zone into a zone of cooperation."

Official Hails Trilateral Cease-Fire Agreement

LD2907081794 Moscow ITAR-TASS in English 0714 GMT 29 Jul 94

[Report by ITAR-TASS string correspondent Leonid Martirosyan]

[Text] Stepanakert, 29 July (TASS)—Yuriy Zakharyan, a senior Nagorno-Karabakh diplomat, described trilateral cease-fire agreement as a document which "creates effective preconditions for stopping armed conflict in Nagorno-Karabakh".

As it was reported previously, Armenian, Azerbaijanian and Nagorno-Karabakh defence ministers signed the agreement on Wednesday [27 July].

According to Zakharyan, the document "has legalized the previous agreement on armistice between the belligerents which was reached through intermediary efforts of Russian Defence and Foreign Ministries on 9-11 May and which has been observed on the whole since then".

"The parties' readiness to fulfill their commitments in regard of the cease-fire inspires hope that the participants in the conflict will intensify efforts aimed at preparing and signing a large-scale political agreement which will put an end to the war between Nagorno-Karabakh and Azerbaijan," he said.

Details Released on Azerbaijani, Armenian POW's

LD2807171694 Moscow INTERFAX in English 1339 GMT 28 Jul 94

[Text] Head of the hostages' defense fund in Nagorno-Karabakh, Aleksandr Manasian, has ruled out any unconditional exchange of prisoners of war and hostages held in the region. He described the idea as unrealistic.

In an interview with INTERFAX, he argued that much too often there is no information about their captors or where they are being held. Manasian called for an entirely different mechanism of POW exchange adding that appropriate Armenian bodies were already at work to try to produce one.

Despite their verbal declaration of wanting to exchange prisoners, the warring parties meanwhile accuse each other of unwilling to do so and provide conflicting information about the numbers of POW's and hostages they are holding.

Stepanakert put the number of prisoners held in Karabakh, most of them Azeri Government soldiers, at 150. However, no word is given of how many Azeri prisoners are held in Armenia itself.

At the same time, head of the Azeri Government commission for POW's, hostages and missing Namik Abbasov put the number of Azeri hostages and POW's held in Armenia and the enclave at more than 4,000. He also said the whereabouts of 925 prisoners was established, with 269 of them being held in Armenia.

Abbasov maintained that apart from 10 Armenians held hostage by members of Azeri families whose relatives were taken prisoner by Armenians, not a single Armenian was taken hostage in the past 15 months. He put the current number of Armenian prisoners of war held in

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Azerbaijan at 12, all of them citizens of Armenia proper. Abbasov also said that 11 other Armenians were held in prison on looting and other charges.

In the meantime, Karabakh deputy Ashot Sarkisian has alleged that about 600 Armenians are being held prisoner in Azerbaijan, more than half of them of Russian citizenship who were abducted while being outside the enclave.

French Assembly Delegation Meets With Karabakh Armenians

NC2907051394 Baku TURAN in English 1749 GMT 28 Jul 94

[Text] Yerevan, 28 Jul (TURAN)—On 27 July the representative of Armenians of Nagorno-Karabakh, Manuel Sargisyan, met with the delegation of French National Assembly headed by Rolan Blum [name as received] in Yerevan-based representation of Nagorno-Karabakh. The meeting took place at the request of the head of French National Assembly.

Armenian media reports that the issue concerning present stage of the process of the settlement of the Armenian-Azerbaijani conflict was discussed during their meeting.

"The French delegation schedules to meet with the warring parties, the parties concerned, Russia's and Turkey's officials as well as the CSCE Minsk Group Chairman, Jan Eliasson," said Manuel Sargisyan. He said that Paris intends to take an active part in the peacemaking process for settlement of the conflict.

On 9 July, Adviser of French President, Lous Juanet [name as received], visited Nagorno-Karabakh. Armenian mass media reports that he has met with one of the leaders of Armenians of Nagorno-Karabakh, Karen Baburyan.

On 11 July, there was press conference of Minister of Culture of France, Jacques Toubon, in Yerevan. Armenia's Noyan Tapan agency reports that Minister of Culture of France said that France supports "Nagorno-Karabakh." On 14 July, French Embassy in Baku refuted such information.

Since France is the member of the CSCE Minsk Group, contacts of French officials with the representatives of the self-proclaimed "Nagorno-Karabakh republic" are regarded like violation of international norms and interference in internal affairs of Azerbaijan. Until now Azerbaijan did not response on the visits of French officials to Karabakh and their meetings with the Karabakh separatists.

Karabakh Cracks Down on Unregistered Religious Groups

NC2807205494 Yerevan SNARK in English 1329 GMT 28 Jul 94

[Text] Stepanakert, 28 Jul (SNARK)—The Presidium of the Nagorno-Karabakh Supreme Soviet issued an order on strengthening the criminal and administrative responsibility for illegal religion activity and encroachment upon persons and citizens rights under fulfilling the religion ceremonies. These measure are dictated by the fact that lately the activity of unregistered religion organizations and sects is stirred up, "which favour the split among the population, and adversely affect the strengthening of internal stabilization and moral-political situation in the Republic of Nagorno-Karabakh," said to SNARK the press secretary of the Supreme Soviet of Nagorno-Karabakh Gayane Arustamyan.

Oilmen Strike To Protest Social, Economic Conditions

NC2807204694 Baku TURAN in English 1748 GMT 28 Jul 94

[Text] Baku, 28 Jul (TURAN)—Oilmen of Gas and Oil Producing Entity named after 28 May of SOCAR [Azerbaijan National Oil Company] has begun an unlimited strike from today, TURAN was told by Gurban Gurbanov, Head of the Trade Union of the Entity.

As it was told earlier, the strike was scheduled for 6 August, but "the oilmen have changed their decision due to impossibility to work under such social and economic conditions," told Gurbanov. This action of protest envisages stage by stage stop of works in the areas of "Guneshli" field up to stop of oil delivery to destination.

Georgia

Deputy Premier Opposes Withdrawal From Kodor Gorge

LD2807165894 Moscow INTERFAX in English 1338 GMT 28 Jul 94

[Text] Georgian Vice Premier Tamaz Nadareishvili responsible for Abkhazian affairs has called against the withdrawal of Georgian Army units from the Kodor Gorge.

He spoke of having evidence that in the past two days, Abkhazia started concentrating its forces in the city of Tkvarcheli and redeploy Army units on higher ground in Kabardino-Balkaria close to the Kodor Gorge.

In an interview with INTERFAX on Thursday, Nadareishvili accused Russia of taking no steps to prevent any outbreak of fighting.

He described as inconsistent Abkhazian attempts to try to link the repatriation of refugees with Georgian pull-out from Kodor Gorge.

In a string of grievances about Russian peacekeepers in the region, Nadareishvili complained that Moscow was still failing to unite the northern and southern parts of its peacekeeping force. His two other complaints include the continued denial of access to Abkhazia by Georgian

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military observers and further expulsion of Georgian civilians from the Gal region with connivance from the Russian peacekeepers.

In the meantime, head of the Georgian committee for human rights and ethnic relations Aleksandr Kavsadze pledge his country's commitment to honor its obligations on Kodor as envisaged by the cease-fire and troop disengagement agreement of 14 May. In an interview with Interfax on Thursday, he said that the problem of Georgian pull-out and the mainly Svan guerrilla units will have been resolved in the next few days.

The Svans "are tired of war and want peace," said Kavsadze.

Russian Parliamentary Delegation Head Addresses Refugees

LD2807170394 Moscow INTERFAX in English 1339 GMT 28 Jul 94

[Text] The leader of the Russian Federation Council delegation, currently in Georgia, Vadim Gustov, reports that effective measures are being taken to return Georgian refugees to Abkhazia. He addressed on Wednesday [27 July] a meeting of refugees in the village of Rukhi, the Zugdidi District, Western Georgia. Our task, said Gustov, is to "douse the flames of the war which has been waged on this beautiful land."

Georgian Parliament Speaker Vakhtang Goguadze, who also visited Rukhi, told journalists after the meeting that the efforts of the Russian delegation, which has held difficult negotiations with the Abkhazian leadership, mark an obvious shift in solving the problem of refugees. There is a basis for the early return of refugees to their homes in the Ghali district, he said.

Well-informed sources in Tbilisi told INTERFAX that a quadripartite commission is to arrive in the Ghali district on 2 August. The commission will include representatives of Russia, Georgia, Abkhazia and the United Nations and it is to submit a conclusion on starting the refugees' return.

Promises Aid for Those Returning From Abkhazia

LD2807194894 Moscow INTERFAX in English 1654 GMT 28 Jul 94

[Text] Russia will set aside three billion rubles as aid for Georgian refugees returning to Abkhazia, chairman of the Russian Federation Council committee for CIS matters said today. Vadim Gustov was speaking during a meeting in Sukhumi Thursday [28 July] between a Russian parliamentary delegation and deputies of the Abkhaz Parliament.

Abkhaz deputies reacted very negatively to the statement. They said they would prefer money to be allocated to rebuilding the Abkhaz economy and its ruined towns and villages.

Gustov said that Russia must stimulate Abkhazia's economic development, which would bring benefits to both sides.

On the same day the Russian delegation met in Sukhumi with UN representatives who said that according to the information they had obtained, over 500 Georgian servicemen are still in the Kodor gorge.

Gustov told INTERFAX that they should pull out of the gorge by the end of the week. He added that he was in favor of allowing refugees to return to the Ghali district of Abkhazia. He said that so far this affected several villages.

Tbilisi Conference Views Russo-Georgian Collaboration

MM2807101394 Moscow PRAVDA in Russian 26 Jul 94 p 1

[Report by Vladimir Tokar: "Awaiting Craftsmen on Inguri"]

[Text] A Georgian-Russian conference on economic cooperation and investment has taken place in Tbilisi. For the Georgian side, high-ranking state officials, ministry and department leaders, and plant and factory directors participated. A. Volskiy [president of the Russian Union of Industrialists and Entrepreneurs] led the Russian delegation.

The guest reiterated his idea that in the states situated on the former USSR's territory physical production had developed over many years as one large factory.

Mutually advantageous agreements and contracts were signed, including a decision to jointly restart construction of the Khudoni hydroelectric power station on the Inguri River and restore the LEP-500 power transmission line destroyed as a result of military action, and the development and modernization of the port facilities of Poti and Batumi. It was proposed to set up joint production of compact tractors and miniature vehicles [mikroavtomobil]—equipment so essential to agricultural workers—in Kutaisi, while the production of disposable syringes, antibiotics, and other pharmaceutical preparations will be organized in the cities of Marneuli and Tbilisi.

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Shevardnadze Orders Review of Political Prisoners' Cases

LD2807205594 Moscow ITAR-TASS in English 2021 GMT 28 Jul 94

[Report by a GIA correspondent]

[Text] Tbilisi 29 July TASS—Georgian President Eduard Shevardnadze has issued a special order to review cases of persons who have declared themselves political prisoners. The Georgian head of state has taken this step in the context of recent mass media reports, which, quoting the opposition's statements, alleged that there are political prisoners in Georgia.

The order, in particular, notes that, the Republic's present authorities regard inadmissible arrest of a person on the grounds of his political views and convictions, which "run contrary to the main principles of building a democratic state."

The Georgian head of state, considering all this and with the aim to establish the truth, has instructed the prosecutor general, Justice Ministry, chairman of the Human Rights Protection and Inter-Ethnic Relations Committee to review cases of persons, who have been said to be political prisoners. Their conclusions will be submitted to the head of state to pass on the information to the Republic's Parliament.

The document contains request to corresponding permanent parliamentary committees to take part in investigations and submit their conclusions to the parliament for discussions.

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Estonia

Government Discusses Yeltsin Agreements, Paldiski Base

LD2807181894 Tallinn Radio Tallinn Network in Estonian 1500 GMT 28 Jul 94

[Excerpt] The Estonian Government today discussed the agreements signed by presidents Lennart Meri and Boris Yeltsin on Tuesday [26 July] in Moscow. Among other issues, a draft agreement concerning the military installation at the Paldiski Russian nuclear and naval base near Tallinn was discussed and approved in principle. The government gave the Estonian delegation final instructions toward specifying and amending some details, Foreign Minister Juri Luik explained later at a news conference.

Luik hopes that the agreement concerning Paldiski will be signed at the end of this week or the beginning of next. This would resolve the so-called Paldiski issue. [passage omitted]

Draft Agreement on Base Nearly Ready

LD2807173694 Moscow INTERFAX in English 1441 GMT 28 Jul 94

[From the "Diplomatic Panorama" feature: by correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[Text] Russian chief negotiator at the talks with Estonia, Vasiliy Svirin, has said that the signing of two documents—on troops pull-out and on military pensioners—is the manifestation of goodwill of Russia and Estonia.

He said Thursday [28 July] at a briefing in Moscow that the documents remove the main problem which for two years aggravated the relations between our states.

Svirin said that the most important thing in the agreement on military pensioners is the granting of the residence permit and the right for the free settling in the republic. He also said that CSCE members will be invited to work in the commission for granting residence permits.

Commenting on the Interfax request on the statement made Estonian Prime Minister Mart Laar to the effect that all military pensioners are a threat to the Estonian state, Svirin said that the Estonian prime minister is free-spoken when it comes to statements concerning Russia. He described this as a short-sighted politics and said that to develop relations on hatred with neighboring countries, with Russia in particular, lacks prospects.

We believe, said Svirin, that military pensioners may be denied the residence permit only in the case if the man in question is doing business which poses threat to the Estonian state. We expect that Estonia may attempt to deny residence permits to those pensioners who formerly worked for the military intelligence and the KGB. We shall explain at the CSCE and to the world community that the service in state bodies cannot be considered as a crime.

Svirin also said that Estonia had denied Stalinist repressions but, unfortunately, found nothing better but to continue this criminal policy.

Speaking about the abortive signing of an agreement on dismantling nuclear reactors at the Russian naval base in Paldiski near Tallinn, Svirin said that the item according to which military experts and their family members have the right to stay for a year, if they have flats in Russia or if someone of their family members is in hospital, is the main stumbling block. I do not understand the position of the Estonian side since such item is contained by the pull-out agreement signed by the two presidents. According to Svirin, the agreement on the naval base in Paldiski was drafted concerning other points. He also said that the Estonian side is expecting on the issue an instruction from Tallinn by the end of the day.

Meri Defends Accord

LD2707114394 Tallinn Radio Tallinn Network in Estonian 0900 GMT 27 Jul 94

[Text] Somewhat unexpectedly, Russian President Boris Yeltsin and Estonian President Lennart Meri signed an agreement on social guarantees for Russian military pensioners [on 26 July in Moscow]. Accusations that Estonia has been sold, with the military pensioners staying in Estonia, have already been heard here. [sentence as heard] True, at a briefing following the signing, President Yeltsin said that Russian military pensioners have rights on a par with Estonian citizens. Later, Vasiliy Svirin, head of the Russian delegation at the Estonian-Russian talks, commented on the agreement by saying that the majority of Russian military pensioners will obtain Estonian residence permits. Was this really the price for the troop withdrawal? Here is President Lennart Meri.

[Begin Meri recording] Everyone has equal rights in the Republic of Estonia if we leave aside political rights. This is true in all democratic countries. The problem of military pensioners has been mainly blown up by the press. Unfortunately, there has not always been sufficient information about the contingent of military pensioners, and they number roughly 10,700. At present, 2,500 are Estonian citizens, for one or another reason [words indistinct] Estonian citizens by birth or having been granted citizenship. Next, there are indviduals who are aged 65 or over; this is the most numerous contingent of pensioners. If one looks at the republican government's resolution adopted on 1 December 1993, one can conclude from the resolution that we acted precisely within the framework laid down by our parliament and a government decree when we signed agreements with Yeltsin. [end recording]

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Opposition 'Cannot Agree' With Pact

WS2807132794 Tallinn BNS in English 1303 GMT 28 Jul 94

[Text] Tallinn, Jul 28, BNS—Estonia's opposition Coalition Party says it cannot agree with the agreements signed by President Lennart Meri with his Russian counterpart, Boris Yeltsin, in Moscow Tuesday, saying the documents fail to guarantee a full withdrawal of Russian troops by 31 August. The documents also lay additional financial and property-related obligations on Estonia, the opposition party claims.

The party's policy council in a statement says the treaties won't ensure a complete pullout of Russian troops from Estonia, as it fails to even mention any terms with respect to the Russian officers' demobilization date. Failing to set any time limit as to when the officers to be regarded as retired military must have been discharged, it provides Russia with the opportunity to discharge all of its military in Estonia before the end of August and leave them in the Baltic country, the Coalition Party says.

The agreement also allows for keeping under Russian control the nuclear facility at Paldiski, thus creating what the party calls an "Estonian Skrunda."

It will be impossible for Estonia to turn down any of the residency permit applications by the retired officers, even those of the former KGB and GRU, or the Russian Army intelligence, because it is nearly impossible to prove in their case the risk inherent to Estonia's national security.

According to the agreement, also years of service in the Soviet and Russian Armed Forces will be accounted for when issuing the privatization vouchers for retired Russian military in Estonia. Years of professional army service in Soviet forces don't count for Estonia's legal citizens.

The Coalition party says the agreement leads Estonia from currently being regarded by Russia as "near abroad," to a status of Russia's protectorate. The opposition party expresses hope that the Estonian parliament while discussing the agreements will have enough reason and courage to duly defend the country's interests.

Laar Confident Russian Ex-Servicemen Will Leave

LD2807154494 Tallinn Radio Tallinn Network in Estonian 1000 GMT 28 Jul 94

[Text] Estonian Prime Minister Mart Laar commented in the leading article in today's POSTIMEES newspaper. The article termed the president's and prime minister's statements about Russian ex-servicemen not receiving privatization vouchers for the years of military service a cynical lie.

The prime minister said that he saw no other interpretation of the agreement [signed by Estonian and Russian presidents in Moscow on 26 July]. The Russian side also has emphasized that Russian military pensioners have acquired rights equal to the rights of Estonian citizens. As the years served in the Soviet Army are not included as work experience for Estonian citizens, they will not be included for Russian military pensioners, either Mart Laar said.

As far as the issuance of residence permits to Russian military pensioners is concerned, it will fall within the government's remit. It will take place in a method laid down by laws and government decrees. The existing regulations for residence permits will remain valid also after the signing of the Estonian-Russian agreement. The ex-servicemen to whom the government refuses residence permits are under obligation to leave Estonia within the period of time stipulated in the law on aliens. Mart Laar is convinced that under the agreements signed, both Russian troops and the overwhelming majority of Russian military pensioners must leave Estonia.

Newspaper Reaction to Withdrawal Agreement Reviewed

WS2907094894 Tallinn BNS in English 1709 GMT 28 Jul 94

[Text] Tallinn, 28 Jul, BNS—Most newspaper editorials in Estonia reflect the diverse attitudes in the country toward the Estonian-Russian agreements signed by presidents Meri and Yeltsin in Moscow Tuesday [26 July]. Most of the criticism voiced in the articles centers on the agreement on social guarantees for retired Russian military in Estonia.

The largest-circulation daily newspaper in the country, the Tartu-based POSTIMEES, has titled its article "Swift Agreement Has Cracks Inside." "In a bid to establish his name in the history as the man who took Estonia to Europe, the president with his signature under the Russian military pensioners' agreement led us into a swamp of unlawfulness instead," POSTIMEES writes. "First and foremost a question remains hanging why President Meri conceded to such a raw agreement at a time when due to support from the United States and other Western countries it was more advantageous for Russia to pull its troops out from Estonia by the end of August anyhow. Why was it necessary to tie the agreement on retired military with the troop withdrawal agreement, without (signing) an agreement on Paldiski," the newspaper asks in its editorial article.

The HOMMIKULEHT daily has titled its editorial: "President and Foreign Minister: Genius Diplomats and Traitors." Referring to the opposition's accusations against what opposition speakers have called "treasonous" agreements, HOMMIKULEHT adds a conciliatory note stating that "it's clear that all political parties waiting to get to power in Estonia rejoice equally that it

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was not them who had to soil their hands with compromises for the withdrawal of the Russian troops." The paper points out the following shortcomings in the treaty on Army pensioners: moving of the pensioners out from Estonia is likely to become a protracted process as no deadline has been set for the expulsion of the retired officers whom Estonia proves to be a security risk. HOMMIKULEHT says Meri should have also demanded that the agreement be linked to a document on the dismantling of the Paldiski reactors. The newspaper also pointed out that Russia won the propaganda war around the agreements.

The EESTI SONUMID newspaper says the president's diplomatic efforts in the Kremlin for many had "turned out more a success than was expected," but added the hastily signed documents roused fears that "once again somebody has sold the fatherland cheap to the eastern neighbor." "Remaining realistic, one has to admit that the result achieved was more or less the optimal one," the newspaper says. "There is no doubt that normalizing the relations with the eastern neighbor would be one of the most important achievements for Estonia, which, however, may again get tangled in domestic political struggle in Estonia."

The PAEVALEHT newspaper says the opposition's extreme criticism of the documents was no surprise. "It is absolutely clear that only our full victory over Moscow would have satisfied both Lennart Meri's political adversaries as well as the opposition forces. Any compromise whatever would in every case be interpreted as high treason," PAEVALEHT says. PAEVALEHT gives praise to the government's decision to submit the documents to legal expert examination.

The RAHVA HAAL in its editorial remains neutral quoting diverse opinions on the treaties, and says it is only clear the agreements had angered many in Estonia.

Lithuania

Slezevicius Praises Russian-Estonian Accords

LD2807211894 Moscow ITAR-TASS World Service in Russian 1402 GMT 28 Jul 94

[By ITAR-TASS correspondent Vladas Burbulis]

[Text] Vilnius, 28 July—Adolfas Slezevicius, Lithuanian Prime Minister, at a press conference in Government House today, described as "an extremely important event" the Russian-Estonian accords reached in Moscow by the Presidents of the Russian Federation and Estonia. He said: "by this step Russia proved that it is fulfilling its international obligations". The Lithuanian Premier went on to note that "we frequently officially reiterated that after the withdrawal of Russian troops from the territory of Lithuania at the end of last summer we would support the position of Estonia and Latvia for the successful completion of the talks with Moscow on the withdrawal of troops from the other Baltic countries by 31 August this year. And it seems that this will take place."

A.Slezevicius, touching on the forthcoming official visit to Vilnius by British Prime Minister John Major, noted that this is the first visit by the head of a British government to Lithuania in the whole history of Lithuanian-British relations. He added that during the visit there will be discussion of the prospects for economic cooperation, encouraging trade and investment; and there will be discussion of political questions and of problems of state security. "Of course," he noted, "relations between the Baltic countries and Russia, the problem of the withdrawal of troops from the territories of Latvia and Estonia and also of military transit will occupy an important place in the talks with John Major". The heads of government of Latvia and Estonia will also arrive in Vilnius on the same day.

Ministry To File Protest Over Airspace Violations

WS2907094794 Tallinn BNS in English 1614 GMT 29 Jul 94

[Text] Vilnius, Jul 28, BNS—Lithuania intends to file a formal protest against continuing violations of the Lithuanian air space by Russian airplanes, the Foreign Ministry's protocol division said Thursday.

Lithuania's top daily LIETUVOS RYTAS said Russian planes violated the country's air space already 82 times this year. The latest incident occurred Wednesday, when a Russian military transport plane IL-76 was denied permission to enter Lithuanian air space, the newspaper said. Russian planes are supposed to have a special permission, which must be obtained in advance by the Russian Embassy in Vilnius. LIETUVOS RYTAS said the plane's captain refused to follow instructions of Lithuanian air traffic controllers because a Russian general who was on board ordered to continue the flight. The Russian plane, which was flying from Moscow to the Kaliningrad region, violated Lithuania's state border at an altitude of 8,600 meters and stayed in Lithuanian air space for about 16 minutes.

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